



WR-Implementation

ADMINISTRATION FOR CHILDREN AND FAMILIES

LAB

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DATE: 9/6

THIS TRANSMISSION CONSISTS OF THIS COVER PAGE PLUS _____ PAGES

TO: Dora Fortuna
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FROM: Maddy Mocko
Director, OLAB
PHONE: 401-9223

MESSAGE:

Attached is the revised State Plan
Guide package hopefully incorporating all
your comments.
I wasn't able to reach Laura
Oliver but please note that the
paragraph on "Needy Families" address
eligibility.

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

STATE GUIDANCE

FOR

THE PERSONAL RESPONSIBILITY

AND

WORK OPPORTUNITY RECONCILIATION ACT OF

1996



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

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A New Beginning...

The Temporary Assistance for Needy Families (TANF) Program

On August 22, President Clinton signed into law the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," a comprehensive bipartisan welfare reform bill that establishes the Temporary Assistance for Needy Families (TANF) program. This legislation will dramatically change the nation's welfare system into one that requires work in exchange for time-limited assistance. It contains strong work requirements, a performance bonus to reward States for moving welfare recipients into jobs, State maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work.

In signing the bill, President Clinton said, "This is not the end of welfare reform, this is the beginning." He went on to say:

Today, we are ending welfare as we know it. But I hope this day will be remembered not for what it ended, but for what it began -- a new day that offers hope, honors responsibility, rewards work, and changes the terms of the debate....

The new legislation gives States the opportunity to create a new system that promotes work and responsibility, and strengthens families. It challenges us all to remedy what is wrong with the old system, and to provide opportunities that will help needy families under a framework of new expectations.

Starting the Program

The new TANF program replaces the AFDC, JOBS and EA programs with a new block grant program. A State is eligible to participate in the new program no earlier than the submittal of its State TANF plan. A State will receive its block grant funds once the Secretary has found the State's plan to be complete.

States must submit their TANF plans no later than July 1, 1997, but can submit them earlier if they choose. States should consider several factors in deciding whether to implement the TANF program prior to July 1, 1997. In States with reduced caseloads, funding for the AFDC, EA and JOBS programs may be less than the amounts the States would receive under the new block grant. Thus, it may be financially advantageous for some States to accelerate their effective date.

In addition to the financial implications, States should also weigh other considerations in determining when to implement the new program. Given the complexity of the new legislation and the tremendous range of options available, designing and implementing a new program will require a significant effort on the part of States. They must consult and coordinate with numerous parties, undertake staff training and modify computer systems.

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Inadequate attention to these activities could undermine the long-term effectiveness of the State's program. Further, once States submit their plans, the work requirements and the 5-year time limit begin. Penalty and data collection requirements begin July 1, 1997, or 6 months after the plan has been submitted, whichever is later.

Suggested State Plan Outline

The statute requires States to outline how they intend to conduct a program that provides assistance to needy families with children and provide parents with job preparation, work and support services to enable them to leave the program and become self-sufficient.

We recommend that States use the State plan process to consider and address a set of important questions, and to outline to the citizens of the State, other interested parties, and the Federal government how those questions will be addressed in the operation of the State's program. Toward that end, we suggest that a State plan include discussion of the issues outlined below as well as addressing all other requirements specified in the law. Attachment A provides a copy of the statutory text.

A possible format is a 15-20 page document that describes the State's program goals, approach, and program features. Some States may emphasize some areas more than others depending on the circumstances in the State. States must submit plans every two years. They may submit amendments to keep the plan current whenever they wish to make changes in the administration or operation of the program. A State plan will be considered complete as long as it includes the information required by the Act.

GOALS, RESULTS AND PUBLIC INVOLVEMENT

What are the overarching goals for your program? How were local governments and private sector organizations involved in designing the TANF plan? How has the public been involved in program design and has the public had the opportunity to provide input? How will you judge and measure progress toward goals? What results will be measured and how will accountability be ensured?

NEEDY FAMILIES

Who will be assisted under this program? How will "needy families" be defined? Will all families in the State have access to the same program or will it vary? Will the same services be offered to families who have moved from another State? How will eligible non-citizens be treated within the program? How will the privacy of families be protected? What rights will applicants and beneficiaries have to challenge decisions?

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WORK AND SELF-SUFFICIENCY

What are your overall goals for work and self-sufficiency? How will the program move families to work and ultimately to self-sufficiency? What services will be available to move clients to work? How will you identify and provide additional, targeted support to victims of domestic violence and others who may have particular difficulty successfully making the transition from welfare to work? How will various community, education, business, religious, local governments, and non-profit organizations be involved in the effort to provide work for clients? How will the delivery of services vary across the State?

BENEFITS

What benefits will be given to needy families? Will benefits be delivered through cash, in-kind, vouchers, or electronic benefits transfer (EBT)? How will time limits and sanctions be incorporated into the program? What supportive services will be available to clients? How will child care be provided to allow parents to go to work?

CULTURE CHANGE

What measures will be taken to change the culture of the welfare office to support work and self-sufficiency? What kind of training will take place for staff who will be involved in administering the program?

PARENTAL RESPONSIBILITY

How will parental responsibility be encouraged? How will child support enforcement interact with the TANF program? Will non-custodial parent be involved in any work programs? What efforts will be made to reduce the incidence of out-of-wedlock births? How will problems of domestic violence and statutory rape be addressed?

TRIBES

How will you ensure equitable access to your program for members of Indian tribes who are not eligible for assistance under a tribal family assistance plan? How will you assist tribes in implementing their programs? What kind of assistance will be available to tribes in implementing their programs?

ADMINISTRATION

What is the structure of the agency administering the program? What will be the role of public or private contractors in the delivery of services? How will elements of the program be phased-in? Will the implementation date differ from the plan submittal date?

WAIVERS

Do you intend to continue one or more individual waivers as provided under section 415? If so, please identify each waiver provision and each provision of new law that you believe are inconsistent, and provide the basis for your assessment of inconsistency. (You may wish to consult with the chief law officer of your State in making this assessment.) What is the name of the 1115 demonstration which contains the waiver? What are the beginning and ending dates of the demonstration? Is the waiver incorporated into your TANF plan applicable statewide? If not, how will TANF operate in those areas of the State not covered by the continuing waivers? Note: Limitations on which provisions of the TANF may be considered inconsistent with waivers for purposes of determining penalties may be established through future legislative or regulatory action. If this happens, States will have an opportunity to submit a new plan in order to come into compliance with the requirements.

Description of Attachments

In additions to this guidance, we are providing three attachments that State policy makers may wish to use in developing their State TANF plans. Attachment A is a copy of the statutory requirements regarding the state plan. Attachment B contains suggested formats for the required certifications that must be submitted with a state plan. Attachment C provides technical information for financial officers of the program regarding funding and a mechanism for States to request TANF funds.

Paperwork Reduction Act

The information in the State TANF plan is collected in accordance with section 402 of the Social Security Act, as amended. Information received in the State plans sets forth how the TANF program will be administered and operated in the States.

The response burden for this collection of information is estimated to be 60 hours per response, including the time for reviewing the statute, this guidance gathering and preparing the information, and reviewing the information.

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

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

Inquiries

Inquiries should be addressed to the appropriate Regional Administrator, Administration for Children and Families. Information about all State plans will be posted on the ACF home page.

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ATTACHMENT A

◆ Statutory Text Relating to State Plans ◆

DRAFT**STATUTORY TEXT**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) was signed by the President August 22. The following is the statutory language relative to the State TANF plan.

SECTION 402 -- STATE PLAN REQUIREMENTS**(a)(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.-**

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

(i) Conduct a program, designed to serve all political subdivisions in the State (not necessarily in a uniform manner), that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

(ii) Require a parent or caretaker receiving assistance under the program to engage in work once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months, whichever is earlier.

(iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

(iv) Take steps to restrict the use and disclosure of information about individuals and families receiving assistance.

(v) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State for calendar years 1996 through 2005.

(vi) Conduct a program that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

(B) Special Provisions.-

(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

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Statutory Text

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(ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

(iii) The document shall set forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including an explanation of how the State will provide opportunities for recipients who have been adversely affected to be heard in a State administrative or appeal process.

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

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

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

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

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

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

(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.-A certification by the chief executive officer of

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Statutory Text

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the State that, during the fiscal year, the State will provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a tribal family assistance plan approved under section 412, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

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

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

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

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

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

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

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

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ATTACHMENT B

◆ State Plan Certifications ◆

This has been designed to enable the Chief Executive Officer of a State to certify that the State will operate its Temporary Assistance to Needy Families (TANF) program in accordance with the statutory requirements in section 402(a)(2) through (7).

DRAFT**CERTIFICATIONS**

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

This program is known as _____

Executive Officer of the State (Name) _____

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

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

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

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

2. Assure that local governments and private sector organizations:

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

- (b) Have had at least 45 days to submit comments on the plan and the design of such services.

3. Operate a Child Support Enforcement program under the State plan approved under part D;

4. Operate a Foster Care and Adoption Assistance program in accordance with part E, and certify that the State will take all necessary actions to ensure that children receiving assistance are eligible for medical assistance;

DRAFT**Certifications**

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

OPTIONAL CERTIFICATION

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

CERTIFIED BY THE CHIEF EXECUTIVE OFFICER OF THE STATE:

Date

Signature and Title

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ATTACHMENT C

◆ Funding ◆

FUNDING

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Section 403(a)(1)(A) provides that each eligible State shall be entitled to receive for each of the fiscal years 1996 through 2002, a grant in an amount equal to the State family assistance grant as defined in section 403(a)(1)(B).

I. Payments to Agency Administering the TANF Program

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

II. State Payments for TANF Program

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

For FY 1998 and Future Years-

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

- ▶ For FY 1997, States should indicate below the percentage of TANF funds requested for only those quarters in which they plan to operate the program.

For FY 1997

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

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Funding

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III. Changes and Inquiries

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

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

THE WHITE HOUSE
WASHINGTON

B Reed
Welfare Implementation

October 2, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Carol H. Rasco *CHR*
Frank Raines *FR*

SUBJECT: Update on Welfare Reform Implementation

We are continuing to work to coordinate the Administration's efforts to implement the new welfare law. We will be providing periodic updates on key issues for you, as well as answers to questions you raise.

PROCESS

Domestic Policy, OMB, Counsel's office, and Intergovernmental are working closely together on all aspects of implementation. We have the following process in motion:

- o DPC chairs bi-weekly meetings of 11 federal agencies and all White House offices.
- o A subgroup of key agencies and offices meets more regularly on nuts-and-bolts implementation issues.
- o We are meeting weekly with the National Governors' Association, the National Conference of State Legislatures, and the American Public Welfare Association.
- o We met with the League of Cities, the Conference of Mayors, and the counties and promised them ongoing input and consultation.

TANF BLOCK GRANT IMPLEMENTATION

The entitlement to AFDC ended on October 1. States can elect to take advantage of the new TANF block grant as of that date, but they must enter the new program by July 1997. The first states to send in state plans were Michigan and Wisconsin, and their plans were approved by HHS on September 30. As of October 1, about 11 states had filed state plans with HHS.

Determining "Completeness" of Plans -- HHS's role in state plans is merely to certify that they are "complete" -- a far different role than they have had in the past. We have worked with HHS to pare down their list of what is required for a plan to be complete. As a result, they produced draft guidance for the states at the NGA conference last month that was quite brief -- and praised by the states as a result.

Regulations -- The law provides only limited authority to regulate the TANF block grant. You asked in our last memo whether we can require states to use TANF funds as wage subsidies. This is one of the permissible uses of the funds and one way states can provide work. HHS will be working with states to promote this as a model, but it will not be able to require that states adopt any particular approach to meeting the work requirement.

Grandfathering Waivers -- Counsel's office advises that the welfare law allows states to continue to operate waiver programs that have time limits and work requirements that vary from the terms of the new law (unless the waivers were granted after the new law passed). We will, however, be making it clear in our guidance to states that the Administration believes that all state programs should comply with the law's provisions regarding time limits, work participation rates, and exemptions and extensions. We will also indicate that if states do not bring their programs into line with the law, there will almost certainly be Congressional action (which we would support) to limit the grandfathering provision.

Wisconsin Waiver -- We have resolved Wisconsin's welfare and Medicaid waiver request. On September 30, in its letter approving Wisconsin's new TANF state plan, HHS informed the state that it no longer needs waivers to implement the welfare reform portions of its "W-2" program. Wisconsin still plans to impose a 60-day residency requirement before families can begin to collect benefits, which HHS believes is unconstitutional. The law in this area is unsettled, and the provision will definitely be brought to the courts. HHS simply took note of this issue as part of the plan approval.

On Medicaid, HHS informed the state on September 30 that it will not grant that portion of the state's waiver request because it would have eliminated the Medicaid entitlement and run counter to our commitment to the federal Medicaid guarantee. HHS offered to work with the state on an alternative Medicaid proposal.

Performance Bonus Fund and Contingency Fund -- The new law requires the Secretary of HHS to work with NGA and APWA to set up the Performance Bonus Fund, and gives her a year to develop the formula and process. We are setting up a process with these state groups to work out such a proposal in cooperation. We will keep you apprised as these plans develop. The Contingency Fund to protect states from economic downturns is being established by Treasury in consultation with HHS.

New Mexico -- New Mexico is one of the few states that is disadvantaged by the conversion to a block grant, because its caseload is increasing. The state announced it may have to cut welfare benefits by 12% to live within the new law. However, Senator Domenici may secure a legislative fix that would allow the state to tap into the Contingency Fund for this purpose.

IMMIGRANTS

The immigration issues raised by the law are clearly the thorniest and most difficult to implement.

Means-tested Benefits -- Non-citizens who arrive after the law's enactment are barred from receiving "means-tested benefits" for five years. We have some latitude to define that term, and Counsel's office, OMB, and DOJ are working together to do so.

Food Stamps for Legal Immigrants -- As part of the CR, we were able to persuade Congress to delay cutting off food stamp benefits for legal immigrants now on the rolls until at least April 1, 1997. (Under welfare reform, that change was to have been effective at the recipient's next recertification for benefits.) This change will particularly help California, which did not benefit from our earlier effort to delay the impact through USDA waivers, and sought our help as a result. Over 30 states opted for a delay through the waiver option.

However, legal immigrants who are applying for food stamps are not helped by the change in the CR. States are beginning to deny food stamps to these new applicants, although the interpretation of USDA's guidance on when they must comply varies from state to state. USDA instructed states to start denying new applications on September 22; for the next 120 days, states that have implemented this change are not subject to sanctions if they make errors.

Verification -- Administrators of many government programs such as food stamps have an important new role to play in verifying the legal status of non-citizens, and whether they fall into any of the categories exempted from the full impact of this law. One particularly difficult exemption to administer is the "40 quarters" exemption, whereby legal immigrants who have worked at least 40 quarters in this country (in combination with their spouse or parents) can still get benefits. SSA is working on a new system to give other agencies access to this information on an overnight basis, beginning in January 1997.

However, some earnings may never have been reported to SSA, particularly for farmworkers and domestic workers whose employers did not pay the taxes on their behalf. We plan to get instructions to food stamp offices next week on how to address this problem and avoid denying benefits inappropriately.

Reporting of Illegal Aliens -- The law requires states, SSA, and HUD to report quarterly to the INS on any illegal aliens they become aware of. The INS is determining how to implement this provision.

Below are answers to three questions you raised in the last update memo:

- o Legal immigrants who get SSI will get notices early next year that SSA will reexamine their eligibility, and benefits will be ended by August 1997. The INS will send them information on naturalization later this fall to ensure that as many as possible who meet the requirements for citizenship are able to naturalize before their benefits end next August.

- o We are working with INS and disability and immigration groups to ensure that the regulation waiving certain testing requirements for immigrants with disabilities is finalized as soon as possible. The comment period ends within the next two weeks, and the rule will be finalized by December.
- o You had noted the statistic that the INS naturalized 1.2 million immigrants this fiscal year, and asked how big an increase it represented over the prior year. Approximately 500,000 people were naturalized last year, so it is a very significant increase.

FOOD STAMPS WORK REQUIREMENT

As you may recall, the new law imposes work requirements on food stamp applicants who are childless and 18-50 years old, but it allows states to apply for a waiver of this requirement in areas of high unemployment. USDA will be issuing guidance shortly on how states can designate such areas.

SSI FOR DISABLED CHILDREN

As you know, the law tightened the eligibility standard for SSI for children with disabilities. The law was effective upon enactment for new applicants. As many as 190,000 children now on the rolls will lose eligibility between March and August 1997 because their impairments are not severe enough to qualify under the new law. Two major issues have emerged:

Cut-off Date for Families Who Appeal -- SSA will determine whom to drop from the rolls by August 1997, but families can appeal SSA's decision. If they do so in a timely manner, they are guaranteed continued benefits while they appeal. Legally, SSA had determined that we are able to keep children on the rolls up to a later point in the appeals process than we had expected, and SSA will take advantage of this option. As a result, most children who appeal will lose benefits in 1999, rather than late 1997 or 1998. SSA has not yet announced this decision because they want to announce the decision on the second issue at the same time.

Definition of Childhood Disability -- The law includes a new definition of childhood disability. During the lengthy debate on this issue, everyone assumed the new definition would cut 190,000 children from the rolls, and we included savings of \$7.6 billion from 1997-2002 in our budget reflecting that estimate. However, from a legal perspective it appears SSA has more flexibility to define childhood disability than we expected. Advocates have united around an interpretation that would drop from the rolls only 20% of the 190,000 children, with a loss of \$5.9 billion of the savings, but Congress would undoubtedly view this option as subverting their intent. SSA is seeking a proposal that strikes the right balance.

MEDICAID

In the coming week, HHS will lay out for us an initial position on key Medicaid issues, including how states can reconfigure their systems to accommodate the separate eligibility systems required for Medicaid and TANF; what happens to the Medicaid coverage of those individuals who lose SSI coverage; and the impact on existing waivers.

Another major question is how many states will accept the option to continue Medicaid for current legal immigrants. They must decide by January 1.

CHILD CARE

The new provisions of the law relating to child care went into effect October 1, 1996. This is a very positive story, as HHS worked quickly and effectively to help states understand the new law, develop interim plans to access the new funding, and ensure that states will get their increased money on time. We will be working with Communications to ensure that the opportunity to highlight some good news on this front is not missed.

TECHNICAL CORRECTIONS

The Secretary of HHS is required to report to Congress within 90 days (November 22, 1996) on technical amendments and corrections that are necessary. The other departments as well as many of the groups with which we are working have concerns in this area as well. We will be working closely with HHS as the date for this report draws closer.

cc: Leon Panetta

WR-Implementation

DRAFT RESPONSES TO 9/25 NGA QUESTIONS

Q1. "What constitutes completeness and how long will certification take, from what date will block grant funds flow (date of submission, implementation date identified in state plan, or when deemed complete), when do requirements take effect, what counts as 45-day comment period for initial plan, and is comment period also required for plan amendments?"

Answer:

The Department is committed to ensuring that States can move ahead promptly on welfare reform and receive the resources that Congress made available to them for the TANF block grant. We understand that the situations of individual States vary greatly and that for many States, the initial plan submitted this fall is likely to be amended as a result of later discussions and, in many cases, State legislative action. The guidance below has been developed to balance several critical goals: to allow States to move promptly, to ensure maximum flexibility for individual State circumstances, to carry out the Department's statutory responsibilities to review completeness, and to encourage States to take advantage of the State plan and public comment processes to the fullest extent possible.

Plan Completeness

A plan is complete if it contains all the information required by section 402 of the Social Security Act, as amended. Section 402 requires States to explain how they intend to achieve certain key goals. While there can be no fixed rule for the amount of detail required, the plan should provide enough information to make possible informed public comment. An optional State plan guide has been distributed by HHS in case it is useful to States.

] = what?

The determination that a plan is complete must be made on a case-by-case basis.

Completeness Determinations

The Act requires the Secretary to find that a State plan contains the elements necessary under section 402 of the Social Security Act, as amended, i.e., that the plan is complete. It is our goal to determine plan completeness as promptly as possible and not more than 30 days after receipt. If a State submits a plan to the Secretary at the same time that it begins the 45-day comment period, we would expect to have determined whether a plan is complete shortly after the end of the 45-day period.

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Effective Dates for Requirements

In order to provide maximum flexibility to accommodate individual State circumstances, we have identified three basic scenarios that are possible under the statute:

- a. A State which has fulfilled its 45-day consultation requirement may submit a complete plan, as described in the new section 402(a), to the Secretary and implement the plan immediately. The Secretary will review the plan, may request further explanation, and will assure that it includes the necessary elements. The State may implement immediately and does not have to wait for the Secretary's review. The State is subject to the TANF rules upon implementation.¹
- b. A State which has not fulfilled a 45-day consultation requirement may submit an otherwise complete plan, as described in the new section 402(a), to the Secretary, but it may not implement the plan until the 45-day period has expired. The Secretary will review the plan during that period, may request further explanation, and will assure that it includes the necessary elements. The State is subject to TANF rules on the date that it provides assurance that the 45-day comment requirement has been satisfied.
- c. A State which has fulfilled its 45-day consultation requirement may submit a complete plan, as described in the new section 402(a), to the Secretary and request that the Secretary assure that it includes the necessary elements. The State could elect to delay implementation until the Secretary's review is conducted or until some other future point (but prior to July 1, 1997). In this case, the new TANF rules would take effect after the plan submittal, on the delayed implementation date.

Effective Dates for Funding

Section 116(b)(1)(B) of PRWORA specifies how a State's SFAG is calculated in FY 1997. A State's FY 1997 SFAG is the lesser of:

- (1) the State's annual SFAG amount determined under section 403(a)(1) prorated by the number of days in FY 1997 between the date the Secretary first receives from a State the plan described in section 402(2) and September 30, 1997; or
- (2) the difference between the State's annual SFAG amount

¹ If a State implements a plan in violation of the Act, it may be subject to imposition of a penalty. An intentional violation may subject the State to an enhanced penalty.

determined under section 403(a)(1) and the amount of Federal payment the State receives with respect to expenditures made in FY 1997 for AFDC, JOBS, and EA.

In the first and third scenarios, above, the same date, i.e., the date the State actually implements TANF, will be used in both calculations. In the first scenario, the date ACF receives the plan is the same as the date on which the State implements TANF. In the third scenario, where the State elects to delay implementing TANF until a date after its plan is received by the Secretary for her review, ACF will deem the date of receipt of the plan to be the same as the date the State elects to implement TANF.

For the second scenario, above, ACF will use the date it first receives the State plan for purposes of computing the first of the two amounts above. The date the State actually comes under TANF, i.e., the date the State completes its 45-day comment period, will be used in computing the amount of AFDC, EA, and JOBS reimbursement used in calculating the second of the amounts, above.

45-day Comment Period on Initial Plan

For a plan to be complete, the State must explain how it has met the 45-day comment period required under the statute. Under section 402(a)(4), the certification by the State must include assurances that local governments and private organizations have been consulted and "have had at least 45 days to submit comments on the plan and the design of such services." While a State may certify that this requirement has been met by a process that occurred prior to enactment of PRWORA, we would encourage States to consider carrying out a period of public comment in the context of PRWORA.

At State option, a State may submit a plan that is complete in every other respect but has not yet received a period of public comment. In this case, the 45-day comment period can run concurrently with the Secretary's review of the plan; the State's TANF grant will be calculated back to the date of submission of the plan. Minor changes or corrections, additions or deletions in response to comments received during the 45-day comment period would not require a new comment period.

Comments on Plan Amendments

The statute does not specifically require a comment period for amendments. We believe a comment period is not necessary for minor, procedural or non-substantive changes. However, a 45-day comment period would be necessary if the amendment would significantly change the plan, either in its entirety, or with regard to any major provision of the plan. The 45-day comment period will be necessary for biennial plan submittals that are required under the statute.

Additional guidance may be provided in future regulations.

Q2. "Transferability: Pending technical amendments, is there an immediate/interim mechanism to allow TANF funds to be transferred directly to SSBG (without requiring transfer into CCDBG)?"

Answer: In light of the statutory language, we have no mechanism available to permit transfers to SSBG only. The practical impact of the statutory language is that a State must transfer \$2 from TANF to CCDBG in order to transfer \$1 to SSBG.

A State may transfer in total in a fiscal year up to 30% of the funds paid to it under section 403(a). The funds paid to it under section 403(a) include: State Family Assistance Grant; Bonus to Reward Decrease in Illegitimacy; Supplemental Grant for Population Increases in Certain States; and, Bonus to Reward High Performance States. (Funds may not be transferred from the Contingency Fund which is under section 403(b)).

All 30% of the funds may be transferred to the CCDBG program. However, if a State wishes to transfer funds to SSBG, funds must be transferred to the CCDBG program. The restriction on the transfer of funds to SSBG is found at section 404(d)(2) which stipulates that, of the amount transferred, no more than one-third may be transferred to SSBG.²

HHS shares the States' concerns about this important policy issue and will be looking at it in the context of the technical amendments proposal required under section 113 of PRWORA.

Q3. "Spending on immigrants counted toward MOE: pending technical amendments, is there an immediate/interim mechanism for permitting spending on legal immigrants to count towards MOE as suggested in the Managers Agreement?"

Answer: Section 409(a)(7)(B)(i)(III) of the Social Security Act (SSA), as amended by the PRWORA, provides that States may use State expenditures for families that would have been eligible for TANF but for the application of section 402 of Title IV of PRWORA. Thus, we can only count toward MOE spending on families who would be eligible but for the application of section 402 of title IV of

² The statutory language is: "Notwithstanding paragraph (1) [relating to the 30% limit], not more than 1/3 of the total amount paid to a State under this part for a fiscal year that is used to carry out State programs pursuant to provisions of law specified in paragraph (1) [CCDBG and title XX] may be used to carry out State programs pursuant to title XX."

PRWORA.

In general, section 402(b)(1) of Title IV of PRWORA provides that States have the option to provide TANF assistance to qualified aliens. If a State opts not to provide TANF to qualified aliens, such aliens receiving benefits as of the date of enactment (August 22, 1996) shall continue to receive such assistance until January 1, 1997.

However, aliens who are identified in the exceptions listed at section 402(b)(2)(A) cannot be denied benefits under TANF for the 5-year periods specified in section 402(b)(2)(A).

Section 402(b)(2)(B) and (C) identifies those aliens who cannot be denied benefits under TANF for any future period, so long as they meet the State's eligibility criteria for the TANF program.

Thus, if a State uses its own funds for an individual (and his/her family) who becomes ineligible for TANF (1) because the State has chosen not to provide assistance with TANF funds to those individuals after January 1, 1997, or (2) because the State has chosen not to provide assistance with TANF funds to those individuals who have exceeded the specific 5-year time limitations in section 402(b)(2)(A), these State funds can be used to meet the State's MOE requirement, provided that the expenditures are otherwise "qualified state expenditures" and the immigrants to whom the State provides assistance would be "eligible families" but for the application of section 402.

HHS recognizes the States' concern about this important policy issue and will be looking at it in the context of the technical amendments proposal required under section 113 of PRWORA.

Q4. "Pro Rata Reductions: will FY 1997 work participation rates be reduced by the caseload reductions from FY 1995 to FY 1996? If so, does HHS intend to provide written guidance and/or standard data for states reflecting adjusted rates by state? How will pro rata reductions be calculated for two-parent families (based on entire caseload reduction or only two-parent/AFDC-UP reduction)?"

Answer:

Reductions for Fiscal Year 1997

Yes, 1997 work participation rates will be reduced by the caseload reductions from FY 1995 to FY 1996. Any State that implements TANF prior to January 1, 1997, will be subject to the participation rate requirements effective July 1, 1997, or for the last quarter of FY 1997. (Any State implementing after January 1, 1997, will be subject to participation rates effective 6 months after TANF

implementation.) Caseload reductions from FY 1995 to FY 1996 will be used to make the pro rata reductions required by revised section 407(b)(3) of the Social Security Act.

Written Guidance

Regarding the question on written guidance, section 407(b)(3) specifies that the Secretary of Health and Human Services must prescribe regulations for reducing the minimum participation rate for a fiscal year based on decreases in the average monthly number of families receiving assistance. We anticipate that these regulations will address calculations for both the entire caseload and two-parent families.

We are interested in hearing from our State partners on how the pro-rata reductions should be calculated. This input will assist us in drafting the applicable regulations.

Q5. "Claims and disallowances. Can HHS clarify/confirm that prior-year claims will not be paid out of TANF funds? Will state funds used for prior-year disallowances count as qualified expenditures for MOE? Will disallowance payments be made separately or paid through a reduction in TANF grant?"

Answer:

Payment of Prior-Year Claims

Claims for prior-year expenditures, i.e., expenditures made prior to FY 1997, for AFDC and Emergency Assistance will be paid through the AFDC appropriation. They will not affect how much a State receives for FY 1997 for AFDC/JOBS and TANF. Prior-year JOBS expenditures will be charged to the JOBS grants for the appropriate prior year.

Treatment of Prior-Year Disallowances under MOE

State funds used for prior year disallowances will not count as qualified expenditures for MOE. The MOE provisions at section 409(a)(7) require that a State make its expenditures in the fiscal year for which TANF funds are provided. Thus, for FY 1997, prior year expenditures, whether disallowed or not, cannot count towards meeting a current year's MOE requirement.

Recoupment of Disallowances

For TANF penalties, the various provisions in section 409 provide that penalties will be taken through offset of the next fiscal year's TANF grant. For AFDC and JOBS program disallowances, ACF's current policy is not to make a reduction to the TANF grant but to reduce future claims for Federal reimbursement for AFDC or EA expenditures so long as such funds are available to offset.

Q6. "\$50 Child support pass-through, What are states required to do vis-a-vis the \$50 pass-through and \$50 disregard after October 1, 1996? How and when will this information be communicated?"

Answer:

State Requirements

Under title I of PRWORA (TANF block-grant), if a State chooses not to implement Temporary Assistance to Needy Families sooner, it must continue to disregard for AFDC eligibility purposes until July 1, 1997, the first \$50 of any child support passed through to a family receiving assistance. However, under title III of the law (child support enforcement), effective October 1, 1996, in cases receiving assistance, a State must first pay the Federal government its share of the child support collection and then may retain, or pass through to the family, the State share of the collection. Therefore, the mandate to pass through to the family the first \$50 of support collected in assistance cases is eliminated after September 30, 1996.

A grace period is allowed until after the next State legislative session, however, in States in which a change in State law is required in order to eliminate the \$50 pass-through. In these States, the \$50 pass-through would remain in effect, as required under State law, during the grace period. Any support passed-through, whether required by State law or by State option, must come entirely from the State's share of the collection.

Distribution of Guidance

We have received numerous questions on this issue and have shared this response widely. We have provided it to each of our Regional Offices to ensure that quick, accurate and consistent responses are provided to questions on this topic.

We will send this send answer and the other answers to all States now. In addition, we hope to soon set up a web site to transmit policy questions and answers related to welfare reform and the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act electronically.

Welfare Reform Implementation Issues

1. **Should states be allowed to continue to operate previously approved welfare waivers that waive the five year time limit either directly or indirectly through their exemptions/extensions policy?**

The bill permits states to continue their waivers. States want to know specifically what that means regarding more generous time limits, extensions, exemptions and more lenient definitions of work. Some members are concerned this provision may be used to gut the time limit -- see, e.g., DC waiver. Sen. Nickles is trying to add a rider to clarify that states can't use waivers to get around the 5-year time limit.

HHS proposal: No need to answer the question now. Ask states to identify in their plans inconsistencies between their waivers and the new law. Warn them that future legislative or regulatory action could limit their ability to continue the waiver, but assure them that they would suffer no financial penalty. Ultimately, HHS would allow waivers to trump time limits and work requirements.

White House Staff Recommendation -- States shouldn't be able to use waivers to avoid work participation rates and time limits. Make clear to states from the outset that the administration expects every state to comply with the work participation rates, exemptions policy, and five year lifetime time limit in the welfare reform bill.

2. **In guiding states on how to prepare "Complete" plans, how detailed should HHS be in the questions it asks states to answer?**

The new law gives HHS the authority only to evaluate state plans for completeness -- it does not permit substantive review and approval.

HHS would like to send a nine-page list of over eighty specific questions that states must answer for their plan to be considered complete.

White House Staff Recommendation -- HHS should considerably reduce the list to a short list of key questions. The eighty-question list runs counter to the intent of Congress in shifting authority to run the program to the states.

3. **Should States be allowed to meet the 45 day public notice requirements of the law by citing previous public processes?**

HHS proposes that states be required to have new 45 day comment periods. They are not willing to count previous public processes, i.e., consideration of state legislation.

White House Staff Recommendation -- While some of us might give states flexibility if their welfare plans have been subject to lengthy public debate, several constituencies feel strongly about having input. We are prepared to accept HHS recommendation, provided there is retroactive funding to cover the 45 days of the new comment period.

4. Should victims of domestic violence be given automatic exemption from the time limit?

The welfare reform bill contains the Wellstone amendment - which offers states the option of exempting people in these circumstances from the time limit - within the 20 percent limit, and encourages states, where appropriate, not to apply stricter program requirements.

The Women's Office, some women's groups, and some at HHS are proposing that the President direct the Secretary not to penalize states that fail to meet the work participation standards or exceed their 20 percent exemption because they exempt victims of domestic violence.

White House Staff Recommendation -- We recommend that the President issue a memorandum to HHS and DOJ asking them to urge states to exercise the Wellstone option, and to work with states on appropriate services and provide technical assistance. Encourage states to exempt from time limits, but don't undermine the work participation rates (because it could have the unintended consequence of denying job opportunities to battered women) and don't exceed 20 percent hardship exemption.

5. Should we grant the Wisconsin welfare waiver?

There is only one outstanding issue with Wisconsin - relating to the residency requirement. HHS believes that Wisconsin would not have the authority to implement this requirement under the new law and therefore needs a waiver. HHS recommends that we deny the waiver.

Wisconsin has made this a part of their state plan as well. HHS does not want to find the plan complete with this provision in it.

White House Staff Recommendation -- Grant Wisconsin the waiver with language that says we are granting it to the extent it meets Constitutional standards. The provision will certainly land in court. By granting the waiver, we avoid a fight with the state.

6. How should we handle the food stamp certification issue if it cannot be fixed in the Continuing Resolution?

We would like your reaction to using USDA's demonstration authority to grant waivers to states with one-year recertification periods to permit them to postpone recertifications until April 1, 1997. USDA is concerned that this proposal pushes the use of the waiver authority too far and puts the program at risk for future block granting or capping. USDA notes, in particular, that such waivers would violate the administration's longstanding policy of cost-neutrality.

7. Timing of INS Naturalization Information to SSI Immigrants

WR Implementation

TO: Jeremy Ben-Ami
Bruce Reed
Ken Apfel
Elena Kagan
Emily Bromberg
Sally Katzen
Keith Fontenot
Richard Green
Wendy Taylor

FROM: Diana Fortuna

DATE: September 16, 1996

Attached is what HHS has given us to date on what regulations they believe may be necessary or appropriate under welfare reform. It should be useful in advance of our meeting tomorrow at 10 on TANF regulations.

HHS

PRELIMINARY LIST OF REGULATIONS TO BE ISSUED UNDER THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

TITLE I - TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

REGULATION PUBLICATION DATE

1. NPRM - TANF Program Requirements 12/96
 - State Plan Submissions/Determination of Completeness
 - Financial Management and Reporting
 - Individual Development Accounts

2. NPRM - Work Requirements 3/97
 - Failure to satisfy participation rate requirements
 - 2-yr. time limit
 - Mandatory work and participation rates
 - How to reduce participation rates based on reductions in caseload

3. NPRM - Tribal Program Requirements 3/97
 - Tribal Plan Requirements
 - Disagreement with State numbers for funding
 - Program criteria for Alaskan tribes
 - Individualization of tribal programs

4. NPRM - Audits/Penalties and Corrective Action 1/97
 - Enhanced penalties
 - Failure to submit report
 - Failure to participate in IEVS
 - Failure to sanction for non-cooperation
 - Failure to repay loans
 - Failure in maintenance of effort (eff. FY 98)
 - CS - substantial compliance/technical nature
 - Failure - 5 year limit
 - Failure - contingency fund/100% maintenance of effort
 - Failure - child under 6/no child care

Reasonable cause exception
 Corrective compliance plan (timely)
 Appeal process

 - Administrative/program costs

(preliminary)

5. NPRM - Data Collection and Reporting for States & Tribes 3/97
- Sampling plans
 - Data collection procedure
 - Verification of data
 - Definition of data elements
6. NPRM - Methodology for Determining Child Poverty 11/96
7. NPRM - Illegitimacy Rate Reduction Bonus 3/97
8. NPRM - High Performance Bonus 4/97
- Sec. 403 (a)(4)(C) provides that formula should be developed not later than 1 year after date of enactment.
9. FINAL RULE - Omnibus Conforming Regulation 10/97
- Eliminate obsolete or inconsistent regulations.

(preliminary)

TITLE III - CHILD SUPPORT ENFORCEMENT

- | REGULATION | PUBLICATION DATE |
|--|------------------|
| 1. NPRM - State Directory of New Hires (Sec. 313) | 12/96 |
| Dates, format and information included in the quarterly report of the State Directory of New Hires to the National Directory of New Hires
Effective date: 10/1/97 | |
| 2. NPRM - State Case Registry (Sec. 311)
and Expansion of EPLS (Sec. 316) | 6/97 |
| Minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the Federal case registry
Effective date: 10/1/98 | |
| Names, social security numbers or other uniform identification numbers, State case identification numbers, and other information which the Secretary deems necessary to identify the individuals who owe or are owed support and the State or States which have the case
Effective date: 10/1/97 | |
| 3. NPRM - State Laws Concerning Paternity
Establishment (Sec. 331) | 12/96 |
| Voluntary paternity establishment services offered by hospitals and birth record agencies
Effective date: 10/1/96 | |
| Types of other entities that may offer voluntary paternity establishment services and the provision of such services. The provision of such services must include a requirement that such an entity use the same notice provisions, materials, training, and evaluation as the ones used by the voluntary paternity establishment programs of hospitals and birth record agencies
Effective date: 10/1/96 | |
| 4. NPRM - Automated Data Processing Requirements
(Sec. 344) | 8/97 |
| Secretary must prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of | |

(preliminary)

this Act. The 10/1/2000 effective date for ADP requirements will be delayed one day for each day the Secretary misses the two-year deadline.

5. NPRM - ADP Funding Limitation (Sec. 344) 12/96

Set the limitation for the total amount payable to a State for fiscal years 1996 through 2001

6. NPRM - Grants to States for Access and Visitation Programs (Sec. 391) 3/97

Monitoring, evaluating, and reporting of State programs designed to support and facilitate absent parents' access to and visitation of their children
Effective date: 10/1/96

7. FINAL RULE - Omnibus Conforming Regulation 10/97

Eliminate regulations rendered obsolete or inconsistent with the new law.

8. NPRM - Tribal Program 5/97

(preliminary)

TITLE VI - CHILD CARE

REGULATION

PUBLICATION DATE

1. Child Care Interim Final Rule 11/96

- Administrative costs
- 70% families (welfare, transition, at risk)
- Public hearing
- Equal access in rates
- 4% for quality
- Data sampling
- Reallotment
- Penalties
- Tribes (facilities & model standards)

Withdraw current NPRM in Unified Agenda and indicate that, where appropriate, policies will be incorporated in this interim final rule.

EFFECTIVE DATESTitle I - TANF

<u>REQUIREMENT</u>	<u>DATE</u>
1. State Plan	7/1/97 (or sooner)
- 45 day comment period by local government and private sector organizations	
- out-of-wedlock pregnancies goal 1996-2005	
- FY 96 fund availability	
- Secretary review for completeness	
2. Bonus/Illegitimacy	FY 1999
- Based on 95/96 compared to 97/98	
3. Supplemental Grant/Population increases	FY 1998
- Can be based on population increases 90-94	
4. Bonus/High Performers	FY 1999
- 1 year after enactment - Sec. develops performance measures (consulting with NGA and APWA)	
- Based on 98 performance	
5. Contingency Fund	FY 1997
- Requests are monthly	
- Annual reports to Congress	
6. Loans (3 years loans)	FY 1997
7. Participation Rates	FY 1997
8. Congressional hearings on implementation of State work programs -- Governors to testify	FY 1999
9. Individual Responsibility Plans	7/1/97 (or sooner)
- 90 - 180 days for recipients	
- 30 - 90 days for applicants	
- from receipt of State plan	

10. Grants to Territories 10/1/96
11. Audits of State Expenditures FY 1996
(if nec.)
12. Grants to Tribes (TANF) FY 1997
- Approved 3 year State plan
 - JOBS \$ - FY 97
 - Establish for each tribe appropriate participation rate, time limit, penalties against individuals
13. Research FY 1997
- \$15 million each year for 6 years
 - Fund evaluations of State Welfare Reform Demos
 - Develop innovative approaches with States
 - T & TA funds
 - Disseminate information

Title II - SSI (skip)

Title III - Child Support

(To be completed by OCSE)

Title IV - Immigration

(To be completed by ORR)

Title V - Child Protection

(To be completed by ACYF)

Title VI - Child Care

(To be completed by ACYF)

Title VII - Child Nutrition

(To be coordinated by OFA with Dept. of Ag.)

Title VIII - Food Stamps

(OFA with AG)

Title IX - Miscellaneous

1. Preventing Teen Pregnancy

1/97

- Establish and implement strategy to prevent out-of-wedlock pregnancies
- Assure at least 25% of communities have pregnancy prevention programs

REGULATIONSTitle I

REGULATION

PUBLICATION DATE

1. Ind. Dev. Accounts (regs. required by statute)
 - Define withdrawal from accounts
2. Mandatory Work - Participation Rates (regs. required by statute)
 - How to reduce participation rates based on reductions in caseload (not changes in eligibility criteria)
3. Audits/Penalties
 - Enhanced penalties
 - Failure to submit report
 - Failure to satisfy participation rate requirements
 - Failure to participate in IEVS
 - Failure to sanction for non-cooperation
 - Failure to repay loans
 - Failure in maintenance of effort (eff. FY 98)
 - CS - substantial compliance/technical nature
 - Failure - 5 year limit
 - Failure - contingency fund/100% maintenance of effort
 - Failure - child under 6/no child care (severity of failure = \$ of penalty)

Reasonable cause exception
 Corrective compliance plan (timely)
 Appeal process
4. Data Collection and Reporting for States & Tribes
 - Monthly basis, quarterly reporting
 - Much case specific data
 - Administrative costs/program costs
 - Sampling plans
 - Data collection procedure
 - Verification of data (Secretary may develop procedures)
 - Define data elements (Secretary shall prescribe regs. necessary)
 - Allow increased admin. costs for determining elg. for Medicaid (under old revised IVA rules)

5. Tribal programs

- Disagreement with State numbers for funding
- Plan approval process
- Program criteria for Alaskan tribes (statute requires development of criteria -- doesn't specify regs.)

6. Methodology for determining child poverty (regs. required by statute)

Title III - Child Support

(To be completed by OCSE)

Title IV - Immigration

(To be completed by ORR)

Title VI - Child Care

1. Child care administrative costs (report language requires Secretary to issue regulations)

Title VII and VIII - Child Nutrition and Food Stamps

(To be completed by OFA with AG when info becomes available)

HHS

OTHER KEY EFFECTIVE DATES

<u>REQUIREMENT</u>	<u>DATE</u>
1. State Plan	7/1/97 (or sooner)
- 45 day comment period by local government and private sector organizations	
- out-of-wedlock pregnancies goal 1996-2005	
- FY 96 fund availability	
- Secretary review for completeness	
2. Supplemental Grant/Population increases	FY 1998
- Can be based on population increases 90-94	
3. Contingency Fund	FY 1997
- Requests are monthly	
- Coordination with Treasury	
- Annual reports to Congress	
4. Loans (3 years loans)	FY 1997
5. Participation Rates	FY 1997
6. Research	FY 1997
- \$15 million each year for 6 years	
- Fund evaluations of State Welfare Reform Demos	
- Develop innovative approaches with States	
- T & TA funds	
- Disseminate information	
7. One-year extension of SACWIS enhanced funding	
8. Preventing Teen Pregnancy	1/97
- Establish and implement strategy to prevent out-of-wedlock pregnancies	
- Assure at least 25% of communities have pregnancy prevention programs	

In order?

REPORTS

1. March 1998 (and annually thereafter)
 - Participation Rates
 - Employment and earnings
 - Decreasing out-of-wedlock births
 - State program characteristics
 - Demographics

2. FY 97
 - Annual ranking of states
 - Review of most and least successful programs
 - Out-of-wedlock births

3. August 1999 Report on Children
 - % drop outs
 - employed
 - crime
 - health insurance
 - income
 - (Children no longer on aid)

4. Child Poverty Rates (from State to HHS not later than 90 days after enactment, and annually thereafter)
 - Corrective action plan within 90 days, if rate increase by more than 5%

5. February 1997 - Data Processing
 - Status of State systems
 - \$ to track participants over time
 - Time needed to establish systems

6. September 30, 1998 Outcome Measures
 - HHS, with States, study outcome measures for evaluating State success

7. November 1996 - Technical Correction Legislative Proposal HHS & SSA, in consultation with other Federal agencies

8. National Random Study of Child Welfare
 - Report due from "time to time"
 - \$6 m each year from FY 1996 through FY 2002
9. 12/31/97 - Biennial Report to Congress on Child Care Program
10. June 30, 1998 (and annually thereafter)
 - Report to Congress on meeting Teen Pregnancy Prevention Goals



AMERICAN PUBLIC WELFARE ASSOCIATION

Gerald H. Miller, President

A. Sidney Johnson III, Executive Director

September 18, 1996

To: Sid Johnson

Fr: Elaine M. Ryan

Re: Top Five Implementation Issues Facing States

1. Medicaid

- Cost neutrality liabilities discontinuing Section 1115 welfare waivers
- Transitional waivers and cost neutrality liabilities
- HCFA, ACF, INS and SSA joint working group
- SSI for Children

2. State Plan

- TANF funding based on submission or deemed complete
- 45 comment period

3. Claims and Disallowances

- program close out
- reduction in TANF block grant allocations

4. Immigration

- definition of means tested benefit
- rules applied to current non-citizens
- application to child care and child welfare services

5. Penalties

- application
- inconsistencies
- data reporting
- work rates - two parents and all families



NATIONAL CONFERENCE OF STATE LEGISLATURES

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STAFF CHAIR, NCSL

WILLIAM POUND
EXECUTIVE DIRECTOR

NATIONAL CONFERENCE OF STATE LEGISLATURES

Five Priorities from Welfare Briefing

I. Getting Started Issues

- A. State Plan vs. State Law
- B. "Completeness" of State Plan

II. Conflict Resolution Process

- A. Waivers
- B. Work Requirements
- C. Other Penalties

III. Legal Immigrants

- A. Clarifications
- B. Documenting Cost-Shifts
- C. Documenting Litigation
- D. Possible Regulatory Grace Periods
- E. Proposals for Legislative Change

IV. Consultation on Technical Corrections

- A. Legislation
- B. Regulation

V. Technical Assistance

- A. Child Support
- B. Immigration
- C. SSI
- D. Targeting Unique Policymaking Responsibilities of State Legislators and Staff

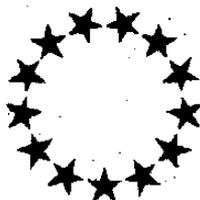
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September 17, 1996

M E M O R A N D U M

To: Diane Fortuna
From: Evelyn Ganzglass and Susan Golonka
Re: Our Top Five Issues on Welfare Reform

1. Clarify which issues will be addressed through regulations and which not. Reach agreement on a timetable and process for consultation with the states regarding the development of federal regulations and the timely resolution of non regulatory issues such as the following:
 - State concerns about being penalized for actions taken prior to the promulgation of regulations or other federal guidance;
 - What the Secretary's interpretation will be regarding what "inconsistent with the act" means for purposes of states' ability to continue certain provisions of existing waivers;
 - What will be included in the definition of administrative costs for purposes of federal audits and penalties.
2. Establish a process for developing outcome-based measures for use in awarding bonuses from the performance fund.
3. Clarify issues related to the state plan submittal process including the time frames for certification of completeness; when do the TANF funding and requirements for time limits and penalties begin in states that are found not to have submitted a complete plan?
4. Establish an interagency working group on information systems for TANF, the child care block grant, the new food stamp work requirement and the child support enforcement program to coordinate efforts, develop a system that will allow cost sharing among programs, and provide technical assistance to states to ensure that one system may meet multiple purposes

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5. Try to reach agreement on areas which require technical amendments. Our current list includes the following:
- Permit transfer of Targeted Assistance for Needy Families (TANF) block grant funds directly into the Social Services Block Grant.
 - Allow states the option to count as a single-parent family for purposes of the work requirement those two-parent families in which one spouse is incapacitated.
 - Modify the reconciliation and MOE provisions of the contingency fund so needy states will be able to access the fund.
 - Reconcile the effective dates for eliminating the federal contribution to the \$50 child support pass-through and repealing the actual pass-through.
 - Clarify that state spending on immigrant families who become ineligible for TANF will count as qualified spending for purpose of meeting the TANF maintenance-of-effort.
 - Permit adjustments in the maintenance of effort requirements for state SSI supplements when caseloads decline.
 - Reconcile the "look back" dates to state AFDC programs for child welfare and Medicaid eligibility.

We look forward to discussing these issues with you at our next meeting.