

BRUCE
Office of the Secretary



DEPARTMENT OF HEALTH & HUMAN SERVICES

Washington, D.C. 20201

WR - Legis. Specs

December 2, 1994

TO: Keith Fonteneau
OMB

After election

FROM: Wendell Primus
ASPE

SUBJECT: Technical Changes for the Work and Responsibility Act

We are on a very fast track to get the Administration's Work and Responsibility Act legislation ready so it can be reintroduced in early January. Attached for your review is a list of the more technical changes that we plan to make. Staff will be working to incorporate these changes into the bill language and legislative specifications document next week.

If you have concerns about any of these proposed changes and would like to discuss them, please contact Cantia Pian (690-7148) or John Wolff (401-6614) no later than 12:00pm Tuesday.

A few more substantive changes are also under consideration and we should have write ups on these for you early next week. The revenue proposals are also being developed and will be a separate package.

Thank you.

DRAFT

WORK AND RESPONSIBILITY ACT*Technical Comments**[* indicates policy implications]***JOBS AND TIME LIMIT PROVISIONS**

- 1.* Sec. 101 (1) -- 402(a)(19)(C)(ii) provides that States must allow volunteers (including deferred individuals) to participate in JOBS if all JOBS funds are not spent on mandatory participants. States may impose time limits on volunteers (including deferred individuals) who are part of a state-elected phase-in group. Statute does not provide that time limits may be imposed on any other category of volunteers. Specs at 11(g)(i) provide that states may impose time limits on volunteers who are not part of phase-in group; those subject to JOBS requirements, but not as members of a phase-in group, may not be subject to time limits. The specs and statute provisions do not seem consistent. [ACF Technicals]

Recommendation: Conform statute to specifications language -- *pending resolution of phase-in strategy.*

2. Sec. 102(2) -- at sec. 482(a)(2)(B), provides for review by "an employee (or designee) of State agency with supervisory or greater responsibilities; specs at 3(f) provides that "a supervisory level staff member or other State agency employees TRAINED to mediate these disputes would intervene." [ACF Technicals]

Recommendation: Specifications should be conformed to statute.

3. Sec. 102(2) -- Specs at 3(h) indicate that an individual would have no right to a second hearing on imposition of a sanction for continued refusal to agree to employability plan (EP); statute at 482(a)(2)(C) does not contain such a provision. [ACF Technicals]

Recommendation: Specifications should be conformed to statute.

4. Sec. 102(2) -- sec. 482(a)(5) requires semi-annual assessment for individuals with employability plans, including deferred; specs at 4(j) require semi-annual reassessment for all deferred (not tied to whether they have an employability plan). [ACF Technicals]

Recommendation: Statute should be changed to agree with specifications.

5. Sec. 102(2) -- 482(a)(3) and specs at 3(c) both indicate that employability plans are done for deferred as appropriate; statute at 402(a)(19)(D) and specs at 4(c) seem to indicate plans routinely done for deferred. [ACF Technicals]

Recommendation: Reference in 402(a)(19)(D) to paragraphs 1 and 2 of section 481 should be replaced with a reference to paragraph 3 of section 482 (the correct section reference). Section 4(c) of the specifications should be amended to clarify that employability plans are not routinely done for deferred persons.

Technical Comments -- continued

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6. Sec. 103(g) -- statute at 482 (g)(2) seems to require job search of all individuals, not just the phased-in; specs at 9(a) and 9(b) indicate that the requirement applies to the time-limit group and those unlikely to be deferred and gives states an option to require for non-phased in. [NOTE: also need to look at language referring to State option with respect to 402(a)(19)(B)(i) group--the mandatory phase-in]. [ACF Technicals]

Recommendation: Statute should be conformed to specifications.

7. Sec. 103(i) -- specs at 9(o) provide for review of JOBS plan by State councils on vocational education and adult education (or other appropriate entity); statute has no provision. [ACF Technicals]

Recommendation: Statute should be conformed to specifications.

8. Sec. 202(g) for maintenance of effort, statute has base of State AFDC admin, JOBS, WORK, and IV-A child care; specs at 21(b) include total JOBS, WORK and IV-A child care; specs at 12(d) have only JOBS, capped WORK and IV-A child care. [ACF Technicals]

Recommendation: For purposes of the maintenance of effort provision, the initial effort level should be defined as total spending on AFDC administration, JOBS and IV-A child care (including transitional and at-risk) in FY 1994 or, if higher, FY 1993. For subsequent years the effort level should be defined as total spending on AFDC administration, JOBS, WORK (matchable from the WORK capped entitlement) and IV-A child care (including transitional and at-risk).

9. The specification language and statute should include new effective dates of plus-one year for each provision unless otherwise indicated. [HSP]

WORK PROVISIONS

- 1.* Maximum Hours of WORK - There is a discrepancy between the maximum number of hours for WORK. The specifications language at 37(b) specifies a maximum of 40 per week, the legislative language states 35 per week (495(b)(1)(B)). Clarify that States would be prohibited from requiring more than an average of 40 hours per week for each WORK slot. [HSP technicals] Also, 493(d)(1)(B) specs at 31(a) say max of 40 hrs., bill says 35 hours. [ACF Technicals]

Recommendation: Conform statute to specifications.

2. Sec 201 -- 495(b)(1)(C) and specs at 30(b) do not indicate general job search expectation; specs at 37(a) do. [ACF Technicals]

Recommendation: Section 37(a) of specifications should be amended to agree with the statute.

3. Sec. 201 -- 495(c) provides for assessment after two years; don't see corresponding provision in specs. [ACF Technicals]

Recommendation: The phrase "or after having been registered with the WORK program for two years" should be added to section 38(a) of the specifications.

Technical Comments -- continued

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4. Sec. 201 -- in 496(b)/(c) the term "misconduct" is used differently (i.e. in a much narrower sense) than in specs at #36f. [ACF Technicals]
Recommendation: Specifications should use the phrase "failure to comply" or an equivalent term, rather than the word "misconduct," to avoid confusion.
5. Sec. 201 -- statute doesn't indicate that job search must be made available during sanction (vs. specs at 36j (i) and (ii)). [ACF Technicals]
Recommendation: Statute should be conformed to specifications.
6. Sec. 201 -- statute at 496(f)(2) provides that during sanction, a family is treated as if awaiting a WORK assignment for any public assistance program; specs at 36(l) mention Food Stamps and housing only. [ACF Technicals]
Recommendation: Specifications should be conformed to statute.
7. Sec. 201 -- spec 18(a)(5) provides a 120-day notice to the WORK/JOB agency regarding upcoming time limits; do not see this in statute. [ACF Technicals]
Recommendation: Statute (section 497(b)(1)) should be conformed to specifications.
8. Sec. 201 -- spec 23(b) provides for regulations to prevent fraud and abuse regarding subsidies; no specific provision in statute. [ACF Technicals]
Recommendation: A provision should be added to the statute (to section 494 or possibly section 492).
9. Sec. 201 -- relatedly, spec 25(b) includes a requirement to monitor placement firms; and spec 29(f) provides for semi-annual WORK assessments. [ACF Technicals]
Recommendation: Language concerning the semiannual eligibility determination for WORK participants should be added to the statute (in section 493(e), perhaps). The requirement to monitor the performance of placement firms should be added, probably to 494(e).
10. Sec. 201 -- spec 34(b) is less detailed than the statute with respect to requirement for general notice of availability of supportive services. [ACF Technicals]
Recommendation: A line should be added to the specifications concerning the requirement to notify eligible WORK participants about the availability of supportive services to enable participation in approved education and training activities (in addition to a WORK assignment).
11. Sec. 202(e) -- 403(m)(3)(A)(ii)(II) provides that higher match related to higher State employment depends on the availability of funds; do not see that in specs (21(f)). [ACF Technicals]
Recommendation: This item is actually discussed in section 12(h); section 21(f) should reference section 12(h), rather than only section 12.
12. Sec. 202 -- 403(m)(3)(A)(i) uses a fixed unemployment trigger of 6.5 percent; specs (21(f)) tie to general trigger for extended unemployment benefits. [ACF Technicals]
Recommendation: Specifications should be conformed to statute.

Technical Comments -- continued

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13. The specification language and statute should include new effective dates of plus-one year for each provision unless otherwise indicated. [HSP]

MAKE WORK PAY PROVISIONS

- 1.* Clarify that the advance EITC must be paid in a separate check to increase the distinction between EITC and AFDC benefits. Clarify that the advance EITC is an option; recipients would retain the option of receiving a lump-sum refund. [HSP]

Recommendation: Treasury should ensure these are clarified.

- 2.* The specifications indicate that individuals will be able to receive up to 75% of the credit. It is unclear whether the expanded limitation on advance payments would be available only to persons using the State agency or whether the intention is to amend existing law to increase the present ceiling from 60% to 75%. [HSP]

Recommendation: The intent is to just raise it for the demonstrations only. Treasury should ensure these are clarified.

3. Sec. 301(c) -- statute and specs use different language regarding hazardous substances; specs specifically mention protection against illegal substances (see 2(c)(ii)). [ACF Technicals]

Recommendation: Conform specifications to statute language.

4. Sec. 306(a) -- 403(n)(2)(B) differs from specs re at-risk funding: \$600 vs. \$580 million for FY97; \$700 vs. \$755 million for FY98; also, statute discusses post-2004 funding, but specs don't. [ACF Technicals]

Recommendation: Conform specifications to numbers in the statute.

5. Spec 4 regarding information which must be given to parents does not seem to appear in the statute (presumably because a change was envisioned in CCDBG); it could be addressed in change to sec. 482(c)(3) of the Act. [ACF Technicals]

Recommendation: Address the notification issue in 482(c)(3). Also put it in the At-Risk funding section.

6. Specs do not mention that supplantation requirement in At-Risk program is gone (statute at 302(b)(3)). [ACF Technicals]

Recommendation: Conform specifications with the statute language.

7. Sec. 307(b) -- Proposed statutory language might not give the rate guarantee that was anticipated; insert "and at the payment levels specified in subparagraph (C)" at the end of the sentence. [ACF Technicals]

Technical Comments -- continued

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Recommendation: Insert "and at the payment levels specified in subparagraph (C)" at the end of the sentence.

8. Sec. 705(f) -- specs at 2.1(a) say lump sum change is made in 402(a)(17); statutory changes are made to that section and 402(a)(8)(A). [ACF Technicals]

Recommendation: Conform specifications to statute.

9. Sec. 705(g) -- statutory language is not as clear as specs at 2.2(a) that disregard applies to both applicants and recipients. [ACF Technicals]

Recommendation: Conform statute to specifications.

10. Distribute Funds on Basis of All IV-A Children -- Include a clause (similar to Sec. 401(n)) to Sec. 305(a)(1) of the WRA. This would have the effect of distributing funds for licensing and monitoring on the basis of all IV-A children, including at-risk and not just AFDC/JOBS/TCC children. [ACF Technicals]

Recommendation: Include clause.

11. Change Reference Years in Funding Formula -- In the post 2004 formula for at-risk funding, use 2004 or the closest preceding year for which data is available, in the numerator and second preceding year in the denominator. [ACF Technicals]

PERFORMANCE STANDARDS PROVISIONS

1. Performance Standards - Effective Dates

NOTE: Recent report to Congress on Performance Standards assumes an October 94 implementation date; these proposed dates assume October 95.

- | | | |
|-----------------|---|--|
| April 1, 1996 | - | Submit report to Congress on proposed changes in the QC system. Language should read "6 months after enactment." |
| | - | Regulations published: All conforming QC regulations for purposes of the performance measurement system. |
| October 1, 1997 | - | Regulations published: All regulations under welfare reform. |
| | - | Regulations published: Service Delivery standards, including the definition of participation for JOBS and WORK. |
| | - | Regulations published: Data elements prescribed by the Secretary that States must report. |
| | - | Regulations published: Outcome-based Performance Measures published. |
| October 1, 1998 | - | Service Delivery standards are implemented. |
| | - | Performance Measures implemented. |

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- October 1, 1999 - Service delivery performance assessed for all States, continuing each fiscal year. Sanctions are not levied in first year.
- April 1, 1999 - Recommend for comment: Standards
- October 1, 1999 - Final Performance Standards published and implemented.

INFORMATION SYSTEMS

NOTE: page numbers refer to House Document 103-173

1.* Relax W-4 Requirement Provision

Change the language in both the legislative specifications and legislation to give the Secretary the discretion to use a form other than the W-4.

Recommendation: Accept proposal. ?

2.* Federal Government Will Also Furnish New-Hire Information

Add a provision which would require the Federal Government -- as employer -- to furnish information to the directory of new hires in accordance with the requirements made on private employers. Certain workers (i.e., law enforcement and intelligence community) would be excluded.

Recommendation: Accept proposal.

3.* Make Child Support Data part of IEVS

Clarify in regulations that Child Support agencies shall have access to IEVS data bases and that those agencies can access Child Support data bases.

Recommendation: Accept proposal.

4.* Unemployment Tax Act, pages 431 and 432 paragraphs 453A(c)(3)(A) and 453A(c)(3)(B) require extracts of Employment Security information to be reported to the Secretary on a quarterly basis. While wage data is reported quarterly, we believe that unemployment data is available on a more frequent basis.

Recommendation: Reword paragraph 453A(c)(3)(B) to give the Secretary discretion as to how frequently the data is reported. [OISM Technicals]

5. The last paragraph (10) on page 438, refers to section 453A(b)(3). This reference is incorrect. There is no section 453A(b)(3). Correct reference would appear to be section 453A(c)(3). [OISM Technicals]

Recommendation: Accept comment.

6. Sec. 403(a) -- in sec 411(b), list of info does not include JOBS participation, as per specs at A(d)(i). [ACF Technicals]

Recommendation: Correct list to include JOBS participation.

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7. Sec. 403(d) -- Language was changed to retain Department's enforcement ability, as well as ADP process. A parallel change was not made under section 452(d) of the Act with respect to child support systems. [ACF Technicals]

Recommendation: Accept OISM staff recommendation so both sections are the same, i.e. change section 452(d) to parallel section 403(d).

8. \$800 Million Cap Applies to All Funding Clarify proposal to read that the cap applies to all costs incurred for system development and installation. [ACF Technicals]

Recommendation: Accept comment.

9. Effective Dates - revise effective dates plus-one year.

Recommendation: Change language in both statute and specifications.

PREVENTION AND PARENTAL RESPONSIBILITY PROVISIONS

- 1.* Clarify that a case manager would facilitate the custodial teen parent's interaction with the child support agency. [HSP Comments]

Recommendation: Accept comment.

- 2.* Medicaid - AFDC Maintenance of Effort

Specify that States implementing family exclusion policies must be in compliance with Medicaid law.

Recommendation: Accept comment.

3. Effective Dates - revise effective dates plus-one year. [HSP Technicals]

Recommendation: Change language in both statute and specifications.

CHILD SUPPORT ENFORCEMENT PROVISIONS

1. Sec. 601 - Cooperation Requirement and Good Cause

- Conform cooperation requirement language to the exact language of the specs.
- Add a requirement that immediate redeterminations of non-cooperation must be made if the mother decides to provide additional information.
- Add a statement to clarify that the processing of the application shall not otherwise be delayed or suspended pending determination by the IV-D agency of cooperation.
- revise parenthetical added at 454(25)(F)(i) to read "(or failed to establish there was good cause not to cooperate)" before "is later determined..."
- in 402(a)(26)(E)(i), replace reference to "454(25)(D)(iii)" with "454(25)(D)(ii)".

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- add a conforming changes to 452(a)(10)(F) of the Act to replace the reference to 402(a)(26)(B)(ii) with 402(a)(26)(C).
- Reference to "except as provided in paragraph (2)" should refer to paragraph (3).

Recommendation: Accept above comments.

- Specs state that IV-D must make determination of cooperation within 10 days of AFDC IV-A application - bill language is 10 days of referral (elsewhere requirement is that notification of determination must be received within 10 days of referral). [ACF Technicals]

Recommendation: Specs will be changed to conform to legislation. Clarification that referral is to be immediate can be made through regulations.

2. Sec. 603 - Distribution of Payments

- Revise amendatory instruction under (b)(2)(A) to provide that "in paragraph (a) as redesignated, the matter preceding paragraph (2) is amended to read as follows..."
- in 457(b), (c) and (d), insert "The" after "in" and before "Case" or delete "The" in 457(a) lead-in.
- Clarify that participants in the WORK program, who do not receive an AFDC supplement, would have all child support passed through to them and be under the same distribution rules as those working in unsubsidized private sector employment [HSP Technicals]

Recommendation: Agree.

- * Under suspension or cancellation of arrears in cases of marriage, clarify that the state can also forgive arrearages owed to the custodial parent if the custodial parent agrees to the forgiveness. In addition, add Section 457(e)(4) to provide that at state option, states can include cases where married couples have separated and reconciled.

Recommendation: Accept comments. Move back the effective date of the distribution change to coincide with the deadline for other systems changes -- *pending final decision*.

3. Sec. 604 & 605 - Due Process Rights/Privacy Safeguards - "Parties" should state, "Parties to cases and others for whom services are being provided under this part".

Recommendation: Agree

- 4.* Sec. 605 - Privacy Safeguards - Add language to insure confidentiality of information where there is a domestic protection order. Under 26(B) extend protection to: "cases where a protective order is pending, a non-custodial parent has been found guilty of assault or abuse in a criminal proceeding or such proceeding is pending."

Recommendation: Accept comment.

5. Sec. 606 - Requirement to Facilitate Access to Services - Delete instruction (a)(3) as it appears to repeat a change made under sec 601(a)(1) deleting "and" at the end of 454(23).

Recommendation: Agree

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6. Sec. 611 - Federal Matching Payments

- In 455(c) as added, replace "or (C)(i)" with "or (C)"
- Maintenance of Effort--Reference to 455(a)(2)(C) (i) and (ii) at page 214 (also p. 218) should be deleted as there are no such sections.
- Maintenance of Effort - Add a cross reference to Sec. 454 of the SSA or provide a penalty provision.

Recommendation: Agree to above comments.

- * Language requires States to maintain current State share of spending indefinitely. Cost estimates assume States will draw their funds out of the program. [OMB Technicals]

Recommendation: Clarify language in order to satisfy OMB's concern.

7. Sec. 612 - Performance-Based Incentives and Penalties

- Specs state that State incentives must be reinvested in the program. This requirement is not reflected in the bill. [ACF Technicals]

Recommendation: This will be deleted from specifications language -- since incentives are FFP they must go into CSE program.

- Delete instruction (b)(1) which calls for a period to be struck and then inserted back in 455(a)(C)(ii) and redesignate instruction (b)(2) as (b).

Recommendation: Agree.

- * Delay performance provisions until 1998. We should not shorten the time frame for systems enhancements. Recommend that the incentive/penalties date for using performance measures be delayed until the States are capable of providing the data and calculations necessary for the incentives/penalties (if costs are acceptable).

Recommendation: Accept comment.

8. Sec. 614 - Automated Data Processing

- In paragraph 455(a)(3)(A) as added under this section insert "necessary" after "the Secretary finds are" and before "for".
- in paragraph 455(a)(3)(B)(i) as added under this section insert "necessary" after "the Secretary finds are" and before "for". Alternatively, under both of these subparagraphs we could delete "as the Secretary finds are".
- in paragraph 455(a)(3)(B)(ii)(II), delete the word "in" from the parenthetical.

Recommendation: Agree.

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- 9.* Sec. 615 - Training - Add statutory authority for OCSE to impose user fees so that they charge a fee for attendance at sponsored training.

Recommendation: Accept comment.

10. Sec. 621 - Central State Case Registry

- In paragraph 454A(f)(C), include reference to mandatory data exchanges with the State Foster Care Agency in the subparagraph heading and reference to "part E" after "part A" and before "and title XIX". Paragraphs under (f) should be numerically ordered rather than alphabetically.

Recommendation: Agree.

- The option for integrated state registries is not referenced in the statute - need to update the existing waiver authority under 452(d) to address new requirements or to at least cross refer new system requirements at 454A. [ACF Technicals]

Recommendation: Agree, this needs to be clarified. OGC to review.

- The specs provide a half dozen requirements for Central State Registries which are not included in the statute (though presumably they might be embraced under larger more general requirements). [ACF Technicals]

Recommendation: These are implied in legislation, OGC should review and clarify if necessary.

11. Sec. 622 - Centralized Collection and Disbursement - The specs provide detailed duties of State Central Payment Center which are only broadly covered in the bill language. [ACF Technicals]

Recommendation: These are implied in legislation, OGC will review and clarify if necessary.

- 12.* Sec. 623 - Income Withholding - Broaden the Secretarial authority to mandate uniformity in state income withholding procedures (or include in the bill, as appropriate). This might include: number of days to contest wage withholding, CCPA limits, number of days to remit, time frame for employers to implement wage withholding, and employer's fee.

Recommendation: Accept comment.

- 13.* Sec. 624 - New Hire Reporting - Modify the 10 day reporting period of new hires by employers to provide that the reporting period shall be 10 days from the date of hire except that if an employer reports data magnetically or electronically the reporting period shall be no later than 10 business days following the first payroll period ending date that falls on or after the 1st of the month, or 10 business days following the first payroll period ending date that fall on or after the 16th day of the month. If an employer pays daily, new hire data must be submitted no later than 10 business days following the 1st and 16th of the month - if the due date falls on a non-business day, the data is due on the next business day.

Recommendation: Accept comment.

Technical Comments -- continued

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14. Sec. 625 - National Welfare Reform Information Clearinghouse

- Require those State agencies that maintain quarterly data on wages paid to individuals by employers in the State to provide DHHS with extracts of the reports.
- in 453(c)(3)(A), replace "and" with "or"
- in 453A(c)(3)(A), insert "or such other entity of a State which is responsible for maintaining quarterly reports of employee wages" after "Each State agency administering a State unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act" and before "shall report".
- revise 453A(c)(3)(B) to provide that the "extracts required under subparagraph (A) shall be furnished to the Secretary of Health and Human Services beginning on and after October 1, 1995, by such dates and frequency, in such format, and containing such information as required by the Secretary in regulations."
- in 303(a)(10), as added, replace reference to "453A(b)(3)" with "453A(c)(3)".
- The last paragraph of [453A(c)(2)(B)], in describing the three transmission alternatives, the word "and" following (ii) should be "or".
- Amend the legislative language on page 433 [453A(d)(3)(B) to conform with specification language regarding IEVS flexibility. [OISM Technicals]

Recommendation: Agree to all of the above comments.

- The specs provide for a feasibility study to determine if New Hire registry should be part of Simplified Tax and Wage Reporting System or SSA's system or part of Health Security Data Base. Couldn't find authority for study in the bill. [ACF Technicals]

Recommendation: OGC will review and should include authority in bill if statutory language is necessary.

- The specs indicate that new hire data is limited to IV-D use but the bill (section 624) speaks to use for other title IV programs as well as IEVS, SSI, title II and Department of Treasury. [ACF Technicals]. Specs also provide that SSA will be granted authority to provide State IV-D or Department of Motor Vehicles agency access to electronic verification of SSNs but the bill appears to only grant this authority with respect to information in data supplied by the Secretary. [ACF Technicals]

Recommendation: OGC will review and amend if necessary.

- The term "National Clearinghouse" in the specifications should be changed to the National Welfare Reform Information Clearinghouse. The term "National Locate Registry" in the specs should be deleted since it is not being used in the Act. The term "National Transitional Assistance Registry" in the specs needs to be changed to the National Welfare Receipt Registry.

Recommendation: We will change the specs to conform with the legislation.

Technical Comments -- continued

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15. Sec. 626 - Expanded Locate Authority - The list of agency records that the child support agency must have access to should include the State Secretary of State.

Recommendation: Accept comment, amend statute language.

16. Sec. 635 - Adoption of Uniform State Laws

- This section (and all other sections) should use the term "income withholding" rather than "wage withholding".

Recommendation: Agree.

- Take into account in UIFSA requirement the full faith and credit provisions recently enacted under S. 922.

Recommendation: Accept comment.

17. Sec. 636 - State Laws Providing Expedited Procedures

- Add language to apply Soldiers and Sailors Civil Relief Act to administrative hearings to set or modify orders.

Recommendation: Accept comment.

- * Further amend 466(a)(2) to delete the last sentence by revising the instruction at section 636(a)(1) to delete "in the first sentence,". (The practical effect is to eliminate the ability of States to qualify for exemptions on a political subdivision level basis).

- in 466(c)(2), as added under this section replace "to established" with "to establish".

Recommendation: Agree

18. Sec. 640 - State Laws Concerning Paternity Establishment - The specs require the Secretary to authorize an organization or US agency to accredit labs conducting genetic test etc. but no such duty or authority is provided to the Secretary in the bill. [ACF Technicals]

Recommendation: OGC will review and amend if necessary.

- 19.* Sec. 642 - Penalty for Failure to Establish Paternity Promptly - Reduce the penalty for failure to establish paternity to one-half of federal FFP.

Recommendation: Agree

20. Sec. 643 - Incentives to Parents to Establish Paternity

- Close quotes in matter preceding (b)

Recommendation: Agree

Technical Comments -- continued

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- Specs provide that States may experiment with providing incentives to families to establish paternity and that the Secretary will authorize up to 3 demos. providing FFP for such incentives. The bill provides FFP for any approved State plan amendment to provide incentives and 90 percent FFP up to a capped dollar amount for the three demos. [ACF Technicals]

Recommendation: OGC should review and make changes in statute as necessary.

21. Sec. 652 - State Laws Concerning Modification of Child Support Orders

- Under (C)(ii)(II) add after "both parents have been informed of the modified support amount that would be imposed under the guidelines", "or have been informed of the right to a review and have been provided a copy of the current child support guidelines. . . .".
- Under (C)(iii)(II), change "other substantial changes have occurred in either parent's circumstances" to "other substantial changes have occurred in either parent's or the child's circumstances".

Recommendation: Agree

22. Sec. 661 - Revolving Loan Fund - Delete the first part of the recoupment provision (1).

Recommendation: Agree

23. Sec. 664 - Authority to Collect Support From Employment Related Payments

- Specs provide that section 465 (among others) of the Act are amended and streamlined to make military salaries, wages and other benefits and income consistent with the terms of 466(b). However, no changes are made to section 465 of the Act. [ACF Technicals]

Recommendation: OGC to review.

- Revise instructions at (a)(13)(C) to provide that subsections (a) through (e) of section 462 are relocated and redesignated as paragraphs (1) through (5) rather than (1) through (4).

Recommendation: Agree

24. Sec. 665 - Motor Vehicle Liens - under instruction (A), do not strike "Procedures" in 466(A)(4) (or add it back at the end of the substitute language).

Recommendation: Agree

25. Sec. 669 - Extended Statute of Limitation - Under instruction (a)(1), do not strike "Procedures" in 466(a)(9) or add it back at the end of the substitute language.

- Change 466(a)(10)(C)(i)(I) to insert "and, if necessary adjusted" after "reviewed" and before "not later".

Recommendation: Agree

Technical Comments -- continued

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26. Sec. 672 - Bankruptcy - Page 324, line 6 - delete "paternity", substitute "parentage". Line 8, delete "or to establish a schedule for payment of such support (including any arrearages); or".
- Page 324, line 19, and page 326, line 5, after reference to 523 (a)(5), add, "or 42 U.S.C. 656 (b)".
 - Page 325, line 19 delete "unsecured".
 - Add the following amendments to the Social Security Act: [656] (c) "The filing of a petition under title 11 does not operate as a stay under section 362(a) of said title with respect to the continued withholding of income pursuant to an income withholding order as defined by subsection (b) of section 666 of this title." [656] (b) "A debt which is in the nature of a support obligation enforceable under this title is not dischargeable in bankruptcy under Title 11." (This latter provision is to address the 9th Circuit decision in Ramirez.)
 - Conform bill to delete provisions addressed in the Bankruptcy Reform Act (1994).

Recommendation: Accept comments.

IMPROVING GOVERNMENT ASSISTANCE PROVISIONS

- 1.* Sec. 702(b) -- specs at 3.1(a) suggest that states have greater flexibility to modify UP rules than statute does. Read statute to allow states to employ 30-day rule and quarters of-work test or not, but not to set their own rules; also on 100-hr. rule, statute allows lesser state requirement, but not full flexibility to modify. [ACF Technicals]

Recommendation: Statute language is correct, conform specification language.

2. Sec. 704 -- spec 4 (a) is too narrow, because three clauses are deleted; could either indicate the change also makes conforming amendments or say that it deletes language limiting state retrospective budgeting options and allows retrospective budgeting without regard. [ACF Technicals]

Recommendation: Accept comment.

- 3.* Micro-enterprises: Regulations shall be developed jointly for excluding resources necessary for self-employment to demonstrate consistency between the two programs. However, the legislative language allows states to determine the extent and circumstances for the exclusions under these regulations. FNS comments that allowing states such latitude with regard to regulatory requirements undermines consistency. [FNS Technicals]

Recommendation: Accept comment.

4. Sec. 706 -- spec at 3.3(a) fails to mention that the baseline disregard amount for stepparents is raised to \$120. [ACF Technicals]

Recommendation: Accept comment.

Technical Comments -- continued

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5. Sec. 706 - Step-parent deeming: the cost estimate and specification language should be amended to match the legislative language. [FNS Technicals]

Recommendation: Accept comment.

6. Sec. 712 -- spec 5.2(a) indicates that the authorization of Federal tax intercepts is under 402(a)(22), but statute makes change through a new section 418 to the SSA. [ACF Technicals]

Recommendation: Accept comment, revise as appropriate.

- 7.* Regarding the treatment of student earnings, the policy should be clarified: the exclusion will be applied uniformly to all applicants rather than at state option. [FNS Technicals] ?

Recommendation: Accept comment.

8. Limitation on Underpayments: Sec. 711 -- Requires that corrective payments be made to underpaid current and former recipients, provided the underpayment occurred during the 12-month period immediately preceding the month the underpayment was discovered. The discrepancy is that the legislative language does not reflect the policy that underpayments would be provided in cases of agency error only. [HSP Technicals]

Recommendation: Accept comment.

9. Drop "as follows" from the introduction to Section 721. [FNS Technicals]

Recommendation: Accept comment.

10. Capitalize "T" in "Job Training Partnership Act" in Section 724 and uncap "food stamp". [FNS Technicals]

Recommendation: Accept comment.

11. Add "deposited" before "in" in the third line of the quoted material in Section 728. [FNS Technicals]

Recommendation: Accept comment.

12. Delete indenting in Section 721, 722, 726. [FNS Technicals]

Recommendation: Accept comment.

13. Delete "NECESSARY" from the title in Section 726. [FNS Technicals]

Recommendation: Accept comment.

14. In Section 727: "(or payment in advance)" should read "(or payments in advance)". The word "family" should be replaced by "household" in the same section. [FNS Technicals]

Recommendation: Accept comment.

Technical Comments -- continued

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15. **Conflict:** Amendments to the Food Stamp act make the \$10,000 exclusion for IDAs mandatory, yet pursuing IDAs via private institutions is a State option. [ensure that this policy is not in conflict; i.e., the policy is written such that the exclusion can exist even if a State chooses not pursue IDAs.] [FNS Technicals]
- Recommendation:** Accept comment.
16. Regarding IDAs, the legislative language amending the Food Stamp Act is not clear that the \$10,000 limit applies to the household (not individuals). [FNS Technicals]
- Recommendation:** Accept comment.
17. The Food Stamp Act legislative language does not specify that participants may only contribute a limit of the lesser of \$1000 or 100% of non-AFDC income -- it should to be consistent with the specifications and legislative language for the Social Security Act. [FNS Technicals]
- Recommendation:** Accept comment.
18. Legislative language should be revised to clarify that if accounts are established while on AFDC or Food Stamps, the IDA account balance will not count against a family's resource limit. If the family re-applies, the funds in the IDA will still be excluded. [FNS Technicals]
- Recommendation:** Accept comment.
19. The Food Stamp Act legislative language does not specify a penalty for an unauthorized withdrawal; is such language necessary? [FNS Technicals]
- Recommendation:** OGC to review.
20. The Social Security Act legislative language should include a provision that non-recurring lump sum payments will not be counted for resource purposes in the month of receipt or the following month if the funds are placed in an IDA. Is this language present, or is this policy accomplished via the present language? [FNS Technicals]
- Recommendation:** OGC to review.
21. Effective Dates: The Specification language should include revised effective dates; plus one-year unless otherwise indicated. [HSP Technicals]
- Recommendation:** Accept comment.

NON-CITIZEN PROVISIONS

NOTE: New proposals under development.

1. Apply (extend) the disability exemption in years 6 through citizenship to the Food Stamp program. [HSP Technicals]
- Recommendation:** Accept comment.

Technical Comments -- continued

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- 2.* Limit state authority to alter alien eligibility rules to state/local GA cash assistance programs [deeming] and GA cash and medical assistance programs [uniform definition] only (i.e., no other state/local programs such as public health programs, special housing, etc). Intent was to provide states with parallel authority only to avoid cost shift to the major state welfare programs, not to provide states with carte blanche authority to establish separate alien eligibility criteria for every possible means-tested program. [HSP Technicals]

Recommendation: Accept comment.

3. Replace "furnish" with "funded" in section 903(c). In general, the specification language is more specific with regards to what degree state and local programs may disqualify any alien from participation in general assistance who has been disqualified from AFDC, SSI, or Food Stamps due to tighter sponsor deeming rules; the legislative language should be clarified. [FNS Technicals]

Recommendation: Accept comment.

4. In section 903(b)(1)(C): align (B) in new section 6(i) with (A). [FNS Technicals]

Recommendation: Accept comment.