

WR-Sen. Dem  
plan

Draft Q and A on Daschle welfare bill

Q: Senator Daschle and others introduced a new welfare reform bill this morning. Is that something the Administration supports?

A: We're very pleased that Senators Daschle, Breaux, Mikulski and Ford have restated their support for passing comprehensive, national welfare reform this year. The President supports this goal, and encourages Congress to proceed on bipartisan reform.

There are now good, bipartisan welfare reform bills pending in both houses of Congress. The legislation introduced today, like the Administration's proposal and other pending bills, restates the importance of moving welfare recipients from welfare to work. It contains tough work requirements, time limits, and child care, and it is more evidence of the increasing momentum to pass welfare reform this year, without the "poison pill" of bad Medicaid provisions that would eliminate the guarantee of health care for millions of Americans.

Senate Democrats played a key role last year in fashioning a welfare reform bill, and we're sure they will provide the same leadership this year. We support their continued efforts to pass comprehensive welfare reform.

**BRIEF COMPARISON OF MAJOR PROVISIONS IN WELFARE PLANS**

**I. AFDC WELFARE REFORMS.**

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
<b>Structural Reform</b>	AFDC cash benefits and JOBS are consolidated into one block grant.  AFDC child care included in a separate Child Care Block Grant.	AFDC cash benefits, JOBS, and child care consolidated into one block grant.	Preserves entitlement to AFDC cash benefits for 5 years.  AFDC child care included in a separate Child Care Block Grant.  Creates new AFDC Employment Block Grant to replace JOBS program.
<b>AFDC Entitlement</b>	Turns AFDC into a state block grant, which is capped.	Turns AFDC into a state block grant, which is capped.	Maintains AFDC as individual entitlement.

*W.L. - Sen. Dem. Bill*

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
Time Limits	<p>5 year lifetime limit, with state option for less time.</p> <p>2 years of benefits, then must work (shorter at state option).</p>	<p>5 year lifetime limit, with state option for less time.</p> <p>Must work as soon as state deems "work ready" or 2 years, whichever is earlier.</p>	<p>5 year lifetime limit.</p> <p>2 years of benefits then must work.</p>
Earnings, Resources, and Asset Limits	Eligibility set by state.	Eligibility set by state.	Eligibility set by state.
Funding and State Match	<p>No state match required.</p> <p>Funds capped at either FY94 level or average of FY92-94 adjusted down by an overall cap of \$15.3 billion per year for the next 5 years.</p>	<p>No state match required.</p> <p>Funds capped at FY94 level of \$16.8 billion per year for next 5 years.</p>	Retains state match at the Medicaid match rate (50 percent match for administrative costs).
Supplemental Grant	Beginning in 1997, \$100 million per year distributed to States with increase in population.	Beginning in 1997, states that meet certain criteria as a high growth state and that have benefits less than the national average will receive supplemental funds.	Additional money given to States that exceed their targets.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
<p><b>Work Program</b></p>	<p>Repeals JOBS.</p> <p>States design own work program as part of AFDC block grant.</p> <p>Sense of the Congress that States should focus work requirements on homes with children over age 5.</p>	<p>Same as House.</p>	<p>Repeals JOBS.</p> <p>Creates new AFDC Employment Block Grant with Federal match rate equals greater of 70% or 10 percentage points higher than Medicaid match rate.</p>
<p><b>Participation Rates:</b> (Current law is 20%)</p>	<p>No exemptions</p> <p>FY96 10%</p> <p>FY97 15%</p> <p>FY98 20%</p> <p>FY99 25%</p> <p>FY00 27%</p> <p>FY01 29%</p> <p>FY02 40%</p>	<p>No exemptions</p> <p>FY96 25%</p> <p>FY97 30%</p> <p>FY98 35%</p> <p>FY99 40%</p> <p>FY00 50%</p> <p>FY01 50%</p> <p>FY02 50%</p>	<p>Retains exemptions similar to current law.</p> <p>FY96 20%</p> <p>FY97 30%</p> <p>FY98 35%</p> <p>FY99 40%</p> <p>FY00 45%</p> <p>FY01 50%</p> <p>FY02 50%</p>

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
<p><b>Hours of Work per Week Required.</b> (Current law is 20 hours per week)</p>	<p>FY96 20 hours  FY97 20 hours  FY98 20 hours  FY99 25 hours  FY00 30 hours  FY01 30 hours  FY02+ 35 hours</p> <p>Hours above 20 can include non-work activities.</p> <p>State option to increase required hours.</p>	<p>Same as House.</p>	<p>Retains 20 hours per week, with State option for 30 hours per week.</p>
<p><b>Definition Work</b></p>	<ol style="list-style-type: none"> <li>1. Unsubsidized employment.</li> <li>2. Subsidized employment.</li> <li>3. On-the-job training.</li> <li>4. Job search and job readiness assistance (for first 4 weeks of receiving benefits).</li> </ol>	<ol style="list-style-type: none"> <li>1. Unsubsidized employment.</li> <li>2. Subsidized employment.</li> <li>3. On-the-job training.</li> <li>4. Community service.</li> <li>5. Job search (for first 4 weeks of receiving benefits).</li> </ol>	<ol style="list-style-type: none"> <li>1. Unsubsidized employment.</li> <li>2. Subsidized employment.</li> </ol>

ITEM	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
State Penalty for Failure to Meet Participation Rates	5% reduction in state annual grant.	Same as House.	1st failure, HHS Secretary makes recommendations for improvement. 2nd failure, can result in 10% reduction in the federal admin. match.
Individual Penalty for Refusal to Work	State must reduce benefits by at least the amount not worked. State can terminate benefits.	State must reduce benefits but State decides how much. State can terminate benefits.	1st sanction, benefits cut by 33%. 2nd sanction, benefits cut by 66%. 3rd sanction, terminate benefits.
Out-of-Wedlock Births "Findings"	Contains a comprehensive statement of Findings regarding out-of-wedlock births and the consequences of such births living in a single parent home, declares the reduction of out-of-wedlock births as an important government interest.	Statement showing the consequences of children being born out-of-wedlock and children living in single parent homes; declares the prevention of out-of-wedlock pregnancies and the reduction of out-of-wedlock births as important government interests.	No provision.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
Single Teen Parents	Mandates states to deny cash benefits to single teen parents. States may provide goods and services in lieu of cash.	Must live at home or in an adult supervised setting. Must attend school. States have option to deny payments.	Must live at home or in an adult supervised setting. Must attend school.
Family Cap	Mandates states to deny benefits for additional children born on welfare. States may provide goods and services in lieu of cash.	States have option to deny payments.	No provision.
Paternity Establishment	Requires states to withhold portion of benefits from recipients who fail to establish paternity. Requires states to withhold benefits to recipients who don't cooperate.	Requires states to withhold benefits to recipients who don't cooperate.	Requires states to deny benefits to recipients who don't cooperate.
Medicaid for AFDC Families	Retains current law one year of transitional Medicaid for families leaving the rolls to go to work.	Same as House bill.	1 year of transitional Medicaid retained and extended for a second year using a sliding fee scale.

**II. CHILD SUPPORT ENFORCEMENT.**

<b>ITEM</b>	<b>HOUSE BILL</b>	<b>G.O.P. LEADERSHIP</b>	<b>DEM LEADERSHIP</b>
<p><b>Distribution of Collections</b></p>	<p>For child support arrearages that accrued before or after a custodial parent was on welfare the money is paid to the custodial parent.</p>	<p>For child support arrearages that accrued after a custodial parent left welfare, the money is paid to the custodial parent.</p> <p>For child support arrearages that accrued before the custodial parent went on welfare the state has the option whether or not to pass through the amount to the custodial parent.</p>	<p>Unknown.</p>
<p><b>Ability of States to Collect child Support (especially for interstate parents)</b></p>	<p>Same as Senate GOP.</p>	<p>Requires states to restrict or revoke licenses (such as, drivers' and professional licenses) for parents who do not pay their child support. Requires states to track new hires (workers) so child support can be collected easier.</p>	<p>Unknown.</p>

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
Paternity Establishment	Same as Senate GOP.	States must meet a minimum paternity establishment ratio of 90 percent.	Unknown.

III. SSI REFORMS.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
S.S.I. -- Drug Addicts and Alcoholics	Drug addiction and alcoholism no longer are disabilities for SSI. Provides \$400 million over 5 years for state drug treatment programs.	Drug addiction and alcoholism no longer are disabilities for SSI.	Unknown.
S.S.I. -- Noncitizens	Noncitizens no longer qualify for SSI. Exceptions for: refugees, asylees, veterans, certain disabled, those age 75 and over.	To qualify for SSI, noncitizens must work and pay taxes for 5 years (for SSI disability benefits) or 10 years (for SSI old age benefits) except veterans. Refugees and asylees eligible for 5 years and then must meet work requirements.	Unknown.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
<p><b>S.S.I.</b> -- Disabled Children</p>	<p>Eliminates the easier SSI eligibility procedure for children -- known as individual functional assessment (IFA).</p> <p>Establishes a new block grant for disabled children.</p> <p>Disabled children who do not require 24 hour care and who become SSI eligible after date of enactment -- no cash payments, but eligible for block grant services.</p>	<p>Eliminates the easier SSI eligibility procedure for children -- known as individual functional assessment (IFA).</p> <p>Continues cash payments to other disabled children.</p>	<p>Unknown.</p>
<p><b>S.S.I.</b> -- Maintenance of Effort</p>	<p>Requires states to continue state spending level on disabled children block grant.</p>	<p>No provision.</p>	<p>Unknown.</p>
<p><b>S.S.I.</b> -- State Supplement</p>	<p>Repeals requirement that states continue SSI supplement payments.</p>	<p>Same as House.</p>	<p>Unknown.</p>

IV. FOOD STAMPS.

ITEM	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
Block Grant .	Allows states which have statewide EBT program to receive food stamp funds as a block grant.	Any state may elect to receive food stamp funds as a block grant. While the funds are to be used for nutrition assistance to individual, up to 25 percent can be used for wage subsidies and other employment based initiatives. Food stamp work requirements apply.	Unknown.
Simplified Program for AFDC Households	Gives states authority to operate a state designed "simplified" food stamp program for AFDC households.	Similar provision as House.	Unknown.
Mandatory Minimum Dis-qualification Periods for Work Violations	No provision.	Penalties for work violations increase with number of infractions; states may permanently disqualify for 3rd work violation. Disqualifications continues for mandatory period or until compliance, whichever is longer.	Unknown.

ITEM	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
Time Limits	Denies benefits after 3 months for able bodied non-elderly adults without dependents who do not work.	Denies benefits to able bodied non-elderly adults without dependents who did not work 6 months out of the previous 12.	Unknown.
New Work Violations	No provision.	Sanctions anyone who voluntarily quits a job or reduces number of hours worked.	Unknown.
Expand Food Stamp Waiver Authority	No provision.	Removes bar on waivers for projects that reduce benefits or limit eligibility. Expands permissible waivers.	Unknown.
Wage Supplementation	Benefits may be paid to an employer for wage subsidy for food stamp recipient.	Similar provision: up to 6 months per assignment.	Unknown.
Carryover of Sanctions for AFDC Work Violations	Unclear.	Food Stamp disqualifications for AFDC work violations carryover even after a recipient loses AFDC eligibility.	Unknown.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
<p>Barring Food Stamp Increases in Response to Penalties</p>	<p>Bars Food Stamps from increasing when AFDC benefit is reduced as a penalty.</p>	<p>Similar provision to House. Also applies to any public assistance program. States may reduce benefits by up to 25 percent.</p>	<p>Unknown</p>
<p>Standards for State Administration</p>	<p>No provision.</p>	<p>Removes numerous Federal rules prescribing procedures, training, and office operations.</p>	<p>Unknown.</p>
<p>Comparable Treatment</p>	<p>An AFDC disqualification automatically triggers a comparable food stamp disqualification.</p>	<p>States may apply a comparable food stamp disqualification for any public assistance program disqualification. Sanctions for an AFDC work violation must trigger a food stamp sanction.</p>	<p>Unknown.</p>
<p>Regulation E</p>	<p>Exempts food stamps from Regulation E.</p>	<p>Similar provision.</p>	<p>Unknown.</p>

V. CHILD NUTRITION AND WIC.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
<p><b>Child Nutrition and WIC</b></p>	<p>Block grants all child nutrition programs. Creates a family based block grant comprised mainly of WIC. Creates a school based block grant comprised mainly of school lunch and school breakfast.</p>	<p>Makes across-the-board reductions in reimbursements. Targets benefits more to low income children. Reduces certain mandates on states to expand program participation. No changes to WIC.</p>	<p>Unknown.</p>

VI. NON-CITIZENS.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
<p><b>Noncitizens</b></p>	<p>Noncitizens are ineligible for: AFDC, SSI, Medicaid, Food Stamps, Social Services block grant. Exceptions for refugees, certain disabled, veterans and those age 75 and over.</p> <p>States have option to deny benefits to noncitizens under State and local means-tested programs.</p>	<p>For most Federal means-tested programs --- the income and assets of sponsors are deemed to noncitizens for 5 years (longer if in affidavit of support).</p> <p>States have option to deny AFDC and Food Stamp block grant benefits to noncitizens.</p>	<p>Unknown.</p>

VII. CHILD CARE.

CHILD CARE	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
Block Grant	All existing child care programs are consolidated into one block grant.	Consolidates 3 child care programs into a block grant. (AFDC child care included in AFDC block grant.)	All existing child care programs consolidated into one block grant (similar to House).
Child Care for Welfare Families	Determined by states.	Same as House.	Creates new entitlement to child care for those required to work while on welfare.
Transitional Child Care	Determined by states.	Same as House.	Creates new entitlement to child care for two years for families who left welfare rolls to work.
Child Care for Working Poor	Determined by states.	Same as House.	Creates new entitlement for child care for working poor families with income up to 100% of poverty (phased in).

CHILD CARE	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
Funding	\$2.1 billion annual discretionary funding.	Child care block grant funded at \$1 billion for FY1996 and such sums that may be necessary for FY1997-2000. (AFDC child care funding included in AFDC block grant.)	Federal match rate equals the greater of 70 percent or 10 percentage points higher than Medicaid match rate.

VIII. JOB TRAINING.

ITEM	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
Job Training Block Grant	No provision.	Consolidates all major job training and related educational programs into one block grant. Gives maximum flexibility to states to design a comprehensive statewide work force development system. \$9.1 billion per year estimated funding for four years.	Unknown.

IX. HOUSING

ITEM	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
Block Grant	No provision.	No provision.	No provision.
Rent Reform	No provision.	Allows Public Housing Authorities (PHAs) to implement ceiling rents and additional income disregards for working poor. This flexibility would enable PHAs to reward, rather than punish, work.	No provision.
Coordination of Sanctions Between AFDC and Housing Assistance	No provision.	Deny increased Federal housing assistance to residents who are sanctioned under AFDC block grant.	No provision.
Repeal Davis Bacon Requirement	No provision.	Repeal the Davis Bacon provision that precludes PHAs from hiring tenants and thereby providing jobs for public assistance residents.	No provision.

X. CHILD PROTECTION.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
Block Grant	Consolidates 22 programs into one block grant.	No provision.	No provision.
	Includes various child welfare, foster care, adoption, child abuse and missing children programs.		
Funding	\$4.4 billion in FY1996 rising to \$5.5 billion in FY2000.	No provision.	No provision.

XI. MISCELLANEOUS.

ITEM	HOUSE BILL	G.O.P. LEADERSHIP	DEM LEADERSHIP
Transfer of Block Grant Funds	Allows 20-30 percent transfers among block grants.	Allows 30 percent transfer among AFDC, child care and job training block grants.	No transfers.

ITEM	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
Loan Fund	Creates \$1 billion loan fund. Loans must be repaid with interest within 3 years. Loan triggered by UI extended benefits rule (UI% in excess of 6.5%).	Creates \$1.7 bill. loan fund. Loan must be repaid with interest within 3 years. Loan can not exceed 10% of state AFDC grant. Only states that have never had a penalty for misusing AFDC funds may qualify for a loan.	No provision.
State Flexibility for Contracting	No provision.	Allows states to contract with charitable organizations and other groups to provide service and to administer programs under the AFDC block grant.	Unknown.

ITEM	HOUSE BILL	G. O. P. LEADERSHIP	DEM LEADERSHIP
Reduce Federal Bureaucracy	No provision.	Requires 30% reduction in Federal staff administering AFDC and JOBS programs. Requires 30% reduction in Federal staff administering job training and related education programs in job training block grant.	No provision.

PRELIMINARY ESTIMATE OF WORK FIRST ACT OF 1995

*W.R. - Sen. Dem bill*

07/14/96

(by fiscal year, in millions of dollars)

	1996	1997	1998	1999	2000	2001	2002	96-2000 Total	96-2002 Total
<b>TITLE I: TEMPORARY EMPLOYMENT ASSISTANCE</b>									
<b>Repeal Emergency Assistance Program</b>									
Family Support Payments									
Budget Authority	0	-895	-855	-1,035	-1,120	-1,170	-1,210	-4,005	-6,385
Outlays	0	-895	-855	-1,035	-1,120	-1,170	-1,210	-4,005	-6,385
<b>Replacement of AFDC Program with Program Allowing More State Flexibility</b>									
Family Support Payments									
Budget Authority	0	110	275	420	485	450	460	1,290	2,200
Outlays	0	110	275	420	485	450	460	1,290	2,200
Food Stamps									
Budget Authority	0	-35	-105	-150	-165	-150	-150	-455	-755
Outlays	0	-35	-105	-150	-165	-150	-150	-455	-755
Medicaid									
Budget Authority	0	105	255	405	510	515	565	1,275	2,355
Outlays	0	105	255	405	510	515	565	1,275	2,355
<b>Raise Cap on Payments to Puerto Rico</b>									
Family Support Payments									
Budget Authority	20	20	20	20	20	20	20	100	140
Outlays	20	20	20	20	20	20	20	100	140
<b>Research, Demonstration, and Evaluation</b>									
Family Support Payments									
Budget Authority	35	35	40	40	40	40	40	190	270
Outlays	4	28	36	39	40	40	40	146	226
<b>TOTAL DIRECT SPENDING, TITLE I</b>									
Family Support Payments									
Budget Authority	55	-730	-620	-555	-575	-660	-690	-2,425	-3,775
Outlays	24	-737	-625	-556	-575	-660	-690	-2,469	-3,819
Food Stamps									
Budget Authority	0	-35	-105	-150	-165	-150	-150	-455	-755
Outlays	0	-35	-105	-150	-165	-150	-150	-455	-755
Medicaid									
Budget Authority	0	105	255	405	510	515	565	1,275	2,355
Outlays	0	105	255	405	510	515	565	1,275	2,355
<b>TOTAL, ALL ACCOUNTS</b>									
Budget Authority	55	-660	-470	-300	-230	-295	-275	-1,605	-2,175
Outlays	24	-667	-475	-301	-220	-295	-275	-1,649	-2,219

PRELIMINARY ESTIMATE OF WORK FIRST ACT OF 1995

07/14/95

(by fiscal year, in millions of dollars)

	1996	1997	1998	1999	2000	2001	2002	96-2000 Total	96-2002 Total
<b>Repeal JOBS and Certain Child Care Funding /a</b>									
Repeal JOBS Program									
JOBS Program									
Budget Authority	0	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-4,000	-6,000
Outlays	0	-950	-960	-970	-970	-970	-970	-3,850	-5,790
Repeal Title IV-A, Transitional, and At-Risk Child Care									
Family Support Payments									
Budget Authority	0	-1,210	-1,260	-1,310	-1,365	-1,423	-1,484	-5,145	-8,052
Outlays	0	-1,205	-1,255	-1,305	-1,360	-1,418	-1,479	-5,125	-8,022

TOTAL DIRECT SPENDING, TITLE I									
Family Support Payments									
Budget Authority	55	-1,940	-1,880	-1,865	-1,940	-2,083	-2,174	-7,570	-11,827
Outlays	24	-1,942	-1,880	-1,861	-1,935	-2,078	-2,169	-7,594	-11,841
JOBS Program									
Budget Authority	0	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-4,000	-6,000
Outlays	0	-950	-960	-970	-970	-970	-970	-3,850	-5,790
Food Stamps									
Budget Authority	0	-35	-105	-150	-165	-150	-150	-455	-755
Outlays	0	-35	-105	-150	-165	-150	-150	-455	-755
Medicaid									
Budget Authority	0	105	255	405	510	515	565	1,275	2,355
Outlays	0	105	255	405	510	515	565	1,275	2,355
TOTAL ALL ACCOUNTS									
Budget Authority	55	-2,870	-2,730	-2,610	-2,595	-2,718	-2,759	-10,750	-16,227
Outlays	24	-2,822	-2,890	-2,576	-2,560	-2,683	-2,724	-10,624	-16,031

Details may not add to totals due to rounding.  
Preliminary estimates not reviewed by the Director of CBO.

/a The JOBS and child care programs are repealed by this title, but equal or greater funding for the same activities is restored in Titles II and III respectively. Thus, savings due to these provisions will be offset by costs in Titles II and III. The child care disregard is also repealed by this title, but is not shown here. The effect of repealing the disregard would be to create Family Support Payment savings in Title I, but to increase the funds that states would use from the Consolidated Child Care Development Block Grant created by Title III. The net effect would raise outlays under Title III.

when I'm done costing other provisions  
I may revise this table to show  
the disregard being repealed, but  
it won't affect your bottom  
line on the entire bill  
- Sheila

Author: Tim Prinz  
Date: 7/27/95 12:46 PM  
Priority: Normal  
TO: Grace Reef  
Subject: tax intercept CBO numbers

----- Message Contents -----

Grace.

FYI: Sheila Dacey said that implementing the tax intercept for AFDC overpayments yields \$115 million over 7 years. You can just add that to the Title I numbers, and she'll do the same (contingent, of course, on seeing the language in the final version).

Tim

PRELIMINARY ESTIMATE OF WORK FIRST ACT OF 1995

07/28/95

(by fiscal year, in millions of dollars)

	1996	1997	1998	1999	2000	2001	2002	96-2000 Total	96-2002 Total
<b>TITLE II: WORK FIRST</b>									
<b>EMPLOYMENT BLOCK GRANT</b>									
<u>Direct Spending</u>									
Authorize Work First Block Grant									
Work First Program									
Budget Authority		1,010	1,100	1,330	1,720	2,170	2,220	5,160	9,550
Outlays		860	1,085	1,295	1,660	2,105	2,215	4,900	9,220
Related Welfare Effects									
Family Support Payments									
Budget Authority		5	15	15	0	(50)	(125)	35	(140)
Outlays		5	15	15	0	(50)	(125)	35	(140)
Food Stamps									
Budget Authority		0	5	5	0	(10)	(25)	10	(25)
Outlays		0	5	5	0	(10)	(25)	10	(25)
Medicaid									
Budget Authority		0	0	5	10	0	(30)	15	(15)
Outlays		0	0	5	10	0	(30)	15	(15)
Earned Income Tax Credit									
Budget Authority		0	0	(5)	(5)	0	15	(10)	5
Outlays		0	0	(5)	(5)	0	15	(10)	5
Grants to Create Jobs for Low-Income Individuals									
Work First Program									
Budget Authority		85	95	110	125	125	125	415	665
Outlays		20	80	100	110	125	125	310	560
Penalties for State Failure to meet Work Requirements									
Family Support Payments									
Budget Authority		0	0	(5)	(5)	(5)	(5)	(10)	(20)
Outlays		0	0	(3)	(5)	(5)	(5)	(8)	(18)
Bonus Payments to States Exceeding Work Requirements									
Family Support Payments									
Budget Authority		0	50	95	140	185	235	285	705
Outlays		0	40	85	130	175	225	255	655
<u>Authorization of Appropriations</u>									
Secretarial Grants to Community Based Organizations									
Budget Authority		25	50	50	50	50	50	175	275
Outlays		5	30	50	50	50	50	135	235

PRELIMINARY ESTIMATE OF WORK FIRST ACT OF 1995

07/28/95

(by fiscal year, in millions of dollars)

	1996	1997	1998	1999	2000	2001	2002	96-2000 Total	96-2002 Total
<b>TOTAL DIRECT SPENDING, TITLE II</b>									
<b>DIRECT SPENDING TOTAL</b>									
Work First Program									
Budget Authority	1,095	1,195	1,440	1,845	2,295	2,345	5,575	10,215	
Outlays	880	1,165	1,395	1,770	2,230	2,340	5,210	9,780	
Family Support Payments									
Budget Authority	5	65	105	135	130	105	310	545	
Outlays	5	55	98	125	120	95	283	498	
Food Stamps									
Budget Authority	0	5	5	0	(10)	(25)	10	(25)	
Outlays	0	5	5	0	(10)	(25)	10	(25)	
Medical									
Budget Authority	0	0	5	10	0	(30)	15	(15)	
Outlays	0	0	5	10	0	(30)	15	(15)	
Earned Income Tax Credit									
Budget Authority	0	0	(5)	(5)	0	15	(10)	5	
Outlays	0	0	(5)	(5)	0	15	(10)	5	
<b>TOTAL, ALL ACCOUNTS</b>									
Budget Authority	1,100	1,265	1,550	1,985	2,415	2,410	5,900	10,725	
Outlays	885	1,225	1,498	1,900	2,340	2,395	5,508	10,243	
Authorization of Appropriations									
Budget Authority	25	50	50	50	50	50	175	275	
Outlays	5	30	50	50	50	50	135	235	

Details may not add to totals due to rounding.

Preliminary estimates not reviewed by the Director of CBO.

1a Estimate assumes technical changes will be made so that that average monthly number of recipients during a fiscal year who have left welfare for work within the last 12 months are included as participants in the work program. June 24th version of the bill allows only those who leave during the fiscal year to count.

1b Estimate assumes technical changes will be made so that penalties and bonuses will be applied in the fiscal year following the fiscal year for which the performance rate is achieved.

REVISION  
 reflecting total child care spending 07/29/95  
 P. 7/18

PRELIMINARY ESTIMATE OF WORK FIRST ACT OF 1995

(by fiscal year, in millions of dollars)

	1996	1997	1998	1999	2000	2001	2002	96-2000 Total	96-2002 Total
<b>TITLE III: SUPPORTING WORK</b>									
<b>DIRECT SPENDING</b>									
Extend Transitional Medicaid for an Additional Year (State Option)									
Medicaid									
Budget Authority	0	160	180	380	420	450	500	1,140	2,090
Outlays	0	160	180	380	420	450	500	1,140	2,090
Establish Child Care Block Grant									
Consolidated Child Care Development Block Grant									
Budget Authority	0	1,900	2,500	2,825	3,110	3,560	3,825	10,395	17,780
Outlays	0	1,710	2,440	2,847	3,088	3,515	3,799	10,084	17,398
Quality Improvement Incentive Initiative									
Consolidated Child Care Development Block Grant									
Budget Authority	0	50	50	50	50	50	50	200	300
Outlays	0	13	45	50	50	50	50	158	258

<b>TOTAL DIRECT SPENDING, TITLE III</b>									
Consolidated Child Care Development Block Grant									
Budget Authority	0	1,950	2,550	2,935	3,160	3,610	3,875	10,595	18,080
Outlays	0	1,723	2,485	2,897	3,138	3,565	3,849	10,242	17,655
Medicaid									
Budget Authority	0	160	180	380	420	450	500	1,140	2,090
Outlays	0	160	180	380	420	450	500	1,140	2,090
<b>TOTAL ALL ACCOUNTS</b>									
Budget Authority	0	2,110	2,730	3,315	3,580	4,060	4,375	11,735	20,170
Outlays	0	1,883	2,665	3,277	3,558	4,015	4,349	11,382	19,745

Details may not add to totals due to rounding.  
 Preliminary estimates not reviewed by the Director of CBO.

PRELIMINARY ESTIMATE OF WORK FIRST ACT OF 1995

07/13/95

(by fiscal year, in millions of dollars)

	1996	1997	1998	1999	2000	2001	2002	96-2000 Total	96-2002 Total
<b>TITLE IV: ENDING THE CYCLE OF INTERGENERATIONAL DEPENDENCY</b>									
<u>Direct Spending</u>									
Require Supervised Living Arrangements:									
Family Support Payments									
Budget Authority	0	-4	-4	-4	-4	-4	-4	-14	-21
Outlays	0	-4	-4	-4	-4	-4	-4	-14	-21
Medicaid									
Budget Authority	0	-3	-3	-3	-4	-4	-5	-13	-22
Outlays	0	-3	-3	-3	-4	-4	-5	-13	-22
Adult Supervised Group Homes									
Social Services Block Grant									
Budget Authority	100	100	100	100	100	100	100	500	700
Outlays	25	110	115	100	100	100	100	450	650
Incentive to Attend School									
Family Support Payments:									
Budget Authority	0	5	10	10	10	10	15	35	60
Outlays	0	5	10	10	10	10	15	35	60
Teen Pregnancy Project									
Family Support Payments									
Budget Authority	75	75	75	75	75	75	75	375	525
Outlays	19	83	86	75	75	75	75	338	488
<u>Authorization of Appropriations</u>									
Teen Pregnancy Study									
Budget Authority	0.5	0.5	0.5	0.5	0.5	0.5	0.5	3	4
Outlays	*	*	0.5	0.5	0.5	0.5	0.5	2	3
National Clearinghouse on Teen Pregnancy									
Budget Authority	2	2	2	2	2	2	2	10	14
Outlays	*	2	2	2	2	2	2	8	12

<b>TOTAL, TITLE IV</b>									
<u>Direct Spending</u>									
Family Support Payments:									
Budget Authority	75	77	82	82	82	82	87	396	564
Outlays	19	84	93	82	82	82	87	359	527
Medicaid									
Budget Authority	0	-3	-3	-3	-4	-4	-5	-13	-22
Outlays	0	-3	-3	-3	-4	-4	-5	-13	-22
Social Services Block Grant									
Budget Authority	100	100	100	100	100	100	100	500	700
Outlays	25	110	115	100	100	100	100	450	650
Total: All Accounts									
Budget Authority	175	174	178	178	178	177	182	883	1,242
Outlays	44	191	205	178	178	177	182	796	1,155
<u>Authorization of Appropriations</u>									
Budget Authority	3	3	3	3	3	3	3	13	18
Outlays	0	2	3	3	3	3	3	9	14

Details may not add to totals due to rounding.  
 Asterisk (\*) indicates that the value is less than \$0.5 million.  
 Preliminary estimates not reviewed by the Director of CBO.

# CONGRESSIONAL BUDGET OFFICE

Human Resources Cost Estimate Unit  
Room 431  
Ford House Office Building  
Second and D Streets, S.W.  
Washington, D.C. 20515

Phone: 226-2820

Fax: 226-2963

Date: \_\_\_\_\_

TO: Grace Reef / TIM PRINZ [cc. Cynthia Rice  
Kevin Kelly]

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

FROM: Sheila

PAGES TO FOLLOW: 2

COMMENTS: Here is the revised  
Preliminary Estimate for the  
Child Support Section

After speaking with TIM & Cynthia  
I saved the section as if the  
2 changes noted to Distribution of  
Payments and Cooperation sections were  
already made. Without those changes  
those provisions would cost

	<u>5 yrs</u>	<u>7 yrs</u>
	0	0
Good Care + Coop		
Distribution of Pay	300	1040.

DRAFT

TITLE V

07/2/95

07/2/95

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SSI disabled children provisions (mandatory spending only) a/  
 Finance-reported and proposed modifications by Senators Dole, Daschle, and Conrad  
 (by fiscal year, in millions of dollars)

**DRAFT**

	16-Jun-95	1996	1997	1998	1999	2000	2001	2002	Total, 1996-2002
<b>Finance-reported</b>									
SSI benefits		-242	-1022	-1371	-1549	-1865	-1732	-2056	-9837
SSI payments to CDR revolving fund		0	0	0	0	0	0	0	0
Medicaid		b/	b/	b/	b/	b/	b/	b/	b/
AFDC		c/	c/	c/	c/	c/	c/	c/	c/
Food stamps		35	145	200	225	250	270	300	1425
<b>Total</b>		<b>-207</b>	<b>-877</b>	<b>-1171</b>	<b>-1324</b>	<b>-1615</b>	<b>-1462</b>	<b>-1756</b>	<b>-8412</b>
<b>Proposed modification d/</b>									
SSI benefits		-205	-846	-1139	-1296	-1569	-1463	-1743	-8261
SSI payments to CDR revolving fund e/		na	na	na	na	na	na	na	na
Medicaid		b/	b/	b/	b/	b/	b/	b/	b/
AFDC		c/	c/	c/	c/	c/	c/	c/	c/
Food stamps		30	120	165	190	210	235	255	1205
<b>Total</b>		<b>-175</b>	<b>-726</b>	<b>-974</b>	<b>-1105</b>	<b>-1359</b>	<b>-1228</b>	<b>-1488</b>	<b>-7056</b>
<b>Difference</b>									
SSI benefits		37	176	232	253	296	269	313	1576
SSI payments to CDR revolving fund		na	na	na	na	na	na	na	na
Medicaid		b/	b/	b/	b/	b/	b/	b/	b/
AFDC		c/	c/	c/	c/	c/	c/	c/	c/
Food stamps		-5	-25	-35	-35	-40	-35	-45	-220
<b>Total</b>		<b>32</b>	<b>151</b>	<b>197</b>	<b>218</b>	<b>256</b>	<b>234</b>	<b>268</b>	<b>1356</b>

- a. Other provisions of Title III of H.R. 4 (affecting legal aliens and drug addicts and alcoholics) are omitted from this table.
- b. CBO assumes that most children removed from SSI would continue to be eligible for Medicaid because of their poverty status and/or their participation in AFDC (or its successor).
- c. Under current law, the AFDC program would increase in cost if some children lost eligibility for SSI benefits. Under H.R. 4, however, the AFDC program's successor would be block-granted at a fixed dollar amount.
- d. Differences from the Finance Committee-reported mark are:
  - o Substitution of "marked, severe functional impairments" for "marked, pervasive, severe functional impairments." This is a clarification of the "two marked" criterion already assumed in CBO's previous estimate.
  - o New language on maladaptive behavior. Finance-reported barred any consideration of maladaptive behavior in the personal/behavioral domain. Modification retains maladaptive behavior, but defines it as "behavior destructive to oneself or others requiring protective intervention"—a tightening of the current regulatory definition that also includes behavior destructive to property or animals.
  - o Explicit preservation of Medicaid for children leaving SSI rolls due to CDRs. Because CBO did not assign Medicaid savings to the original Finance-reported language (see note b), it ascribes no cost to this modification.
- e. Proposal remains to be specified. The savings from the new requirement to conduct CDRs every 3 years on most disabled children are already included in CBO's estimate of SSI savings. The cost of conducting CDRs, however, would have to be covered by a discretionary appropriation.

These unofficial estimates have not been reviewed by the Director of CBO.



Drach's provisions affecting legal aliens' eligibility for welfare programs  
 (Based on Title VII of bill labeled O:UMATUMAT96,381 and dated 6/23/95)

11-JUL-95

**Deeming to citizenship and other sponsorship requirements (sections 702-704)**

The proposal is to deem to citizenship all awards after 10/1/95, with the following exceptions: vets, active duty military, spouse of vet or active duty, victim of domestic violence, and anyone who has paid 20+ quarters of Social Security taxes (or whose spouse or parent has paid 20+ quarters taxes).

Programs affected are AFDC, SSI, and Food Stamps. The bill explicitly provides that Medicaid coverage should continue if alien otherwise eligible.

Proposal also requires (i) that affidavits of support executed in the future be legally enforceable, granting government recourse to recover cash (but not in-kind) benefits paid; and (ii) that more aliens have sponsors in the future.

*No exemption for age 75+*

Savings (in billions of dollars)	1996	1997	1998	1999	2000	Extrapolation		2002	5-year sum	7-year sum
						2001	2002			
SSI	(\$0.100)	(\$0.390)	(\$0.635)	(\$0.910)	(\$1.220)	(\$1.240)	(\$1.585)	(\$3.305)	(\$6.130)	
Medicaid	(\$0.002)	(\$0.008)	(\$0.013)	(\$0.018)	(\$0.022)	(\$0.027)	(\$0.032)	(\$0.063)	(\$0.122)	
Family support	(\$0.010)	(\$0.020)	(\$0.030)	(\$0.030)	(\$0.035)	(\$0.035)	(\$0.040)	(\$0.125)	(\$0.200)	
Food stamps	(\$0.030)	(\$0.070)	(\$0.090)	(\$0.095)	(\$0.105)	NA	NA	(\$0.390)	NA	
Total, provision	(\$0.142)	(\$0.488)	(\$0.818)	(\$1.053)	(\$1.382)	NA	NA	(\$3.883)	NA	

**Uniform alien eligibility criteria (section 701)**

The legislation would tighten eligibility of "PRUCOLs" (Permanently Residing Under Color of Law) for several programs. Legally-admitted permanent residents (LAPRs), refugees, and asylees would continue to be eligible for benefits. (LAPRs would, however, be subject to deeming of sponsors' income.) Other small groups would be eligible only if the Attorney General decides that their continued presence serves a compelling public interest, and the Secretary of HHS decides that they should receive benefits. CBO assumes that between one-half and three-quarters of the remaining PRUCOLs—which encompass such groups as parolous and aliens for whom the INS has "deferred action" due to workload requirements—would be rendered ineligible.

*NA cut approx. \$100 million.*

PRUCOLs by definition have no financial sponsor, so there is no interaction with the deeming proposals.

This provision is identical to one in the Clinton welfare reform bill and Senator Moynihan's proposed welfare reform bill, both of which were previously estimated by CBO.

Savings (in billions of dollars)	1996	1997	1998	1999	2000	2001	2002	5-year sum	7-year sum
SSI	(\$0.007)	(\$0.025)	(\$0.041)	(\$0.058)	(\$0.081)	(\$0.084)	(\$0.109)	(\$0.212)	(\$0.405)
Family support	(\$0.001)	(\$0.001)	(\$0.002)	(\$0.002)	(\$0.002)	(\$0.002)	(\$0.003)	(\$0.006)	(\$0.013)
Food Stamps	-	-	-	-	-	-	-	-	-
Medicaid	(\$0.005)	(\$0.010)	(\$0.015)	(\$0.025)	(\$0.030)	(\$0.035)	(\$0.045)	(\$0.085)	(\$0.165)
Total, provision	(\$0.013)	(\$0.026)	(\$0.058)	(\$0.085)	(\$0.113)	(\$0.121)	(\$0.157)	(\$0.305)	(\$0.583)

**Memo: Combined aliens provisions**

SSI	(\$0.107)	(\$0.415)	(\$0.725)	(\$0.963)	(\$1.301)	(\$1.324)	(\$1.634)	(\$3.517)	(\$6.535)
AFDC	(\$0.011)	(\$0.021)	(\$0.032)	(\$0.032)	(\$0.037)	(\$0.037)	(\$0.043)	(\$0.133)	(\$0.213)
Food Stamps	(\$0.030)	(\$0.070)	(\$0.090)	(\$0.095)	(\$0.105)	NA	NA	(\$0.390)	NA
Medicaid	(\$0.007)	(\$0.018)	(\$0.028)	(\$0.043)	(\$0.052)	(\$0.057)	(\$0.077)	(\$0.148)	(\$0.287)
Total	(\$0.155)	(\$0.524)	(\$0.876)	(\$1.133)	(\$1.495)	NA	NA	(\$4.188)	NA

These unofficial estimates have not been reviewed by the Director of CBO.

For Tim Prinz

SSI savings from deeming to citizenship, with various exemptions

	1998	1997	1998	1999	2000	Extrapolation 2001	2002	5-year sum	7-year sum
CBO deficit reduction option (no exemptions except those already in law)	(\$0.1)	(\$0.5)	(\$0.9)	(\$1.2)	(\$1.6)	(\$1.6)	(\$2.0)	(\$4.2)	(\$7.9)
With Daschle exemptions a/	(\$0.1)	(\$0.4)	(\$0.7)	(\$0.9)	(\$1.2)	(\$1.2)	(\$1.6)	(\$3.3)	(\$6.1)
With Deal exemptions b/	(\$0.1)	(\$0.3)	(\$0.5)	(\$0.8)	(\$0.9)	(\$0.9)	(\$1.1)	(\$2.3)	(\$4.3)

a. Vets, active duty military, domestic violence victims, and anyone with >20 quarters of FICA taxes  
 (or whose spouse or parent has >20 quarters).

b. Same as Daschle, but also exempts those over 75 and in country > 5 years.

Daschle % of potential	80%	78%	78%	78%	78%	78%	78%		
Deal % of potential	52%	54%	55%	54%	54%	54%	54%		

PRELIMINARY CBO ESTIMATE OF DIRECT SPENDING OF TITLE VII OF S. \_\_\_\_  
 FOOD STAMP PROGRAM INTEGRITY AND REFORM  
 Draft provided by staff on July 18, 1995.

07/20/95

D - R - A - F - T

(outlays by fiscal year, in millions of dollars)

Section	1996	1997	1998	1999	2000	Total
<b>DIRECT SPENDING</b>						
802 Certification period	0	0	0	0	0	0
803 Expanded Definition of Coupon	0	0	0	0	0	0
804 Adjustment to thrifty food plan	-910	-950	-990	-1040	-1090	-4980
806 Earnings of certain high school students counted as income.	-10	-10	-10	-10	-10	-50
807 Energy assistance counted as income	not yet estimated					
— Vendor payments for transitional housing counted as income	not yet estimated					
— Resumption of discretionary funding for nutrition education and training program	-10	-10	-10	-10	-10	-50
808 Exclusion of certain JTPA income	not yet estimated					
808 2-year freeze of standard deduction	-190	-400	-420	-440	-470	-1920
812 Elimination of household entitlement to switch between actual expenses and allowances during certification period	not yet estimated					
814 Exclusion of life insurance policies	not yet estimated					
815 Doubled penalties for violating food stamp program requirements	not yet estimated					
817 Strengthened work requirements	not yet estimated					
817 Work requirements for able-bodied recipients	not yet estimated					
818 Disqualification for participating in two or more states	0	-5	-5	-5	-5	-20
820 Disqualification relating to child support arrears	-5	-5	-15	-25	-30	-80
821 Facilitate implementation of a national electronic benefit transfer delivery system	not yet estimated					
822 Deduction for cost of replacing electronic benefit transfer cards from household allotment	0	0	0	0	0	0
823 Benefits on recertification	-25	-25	-25	-25	-25	-125
824 State authorization to set requirements appropriate for households	0	0	0	0	0	0

continued

PRELIMINARY CBO ESTIMATE OF DIRECT SPENDING OF TITLE VII OF S. \_\_\_\_  
 FOOD STAMP PROGRAM INTEGRITY AND REFORM  
 Draft provided by staff on July 18, 1995.

07/20/95

**D - R - A - F - T**

(outlays by fiscal year, in millions of dollars)

Section	1996	1997	1998	1999	2000	Total
— Electronic benefit transfers	not yet estimated					
825 Coordination of employment and training programs	not yet estimated					0
826 Simplification of application procedures and standardization of benefits	not yet estimated					0
827 Authority to establish authorization periods	0	0	0	0	0	0
828 Specific period for prohibiting participation of stores based on lack of business integrity	0	0	0	0	0	0
829 Information for verifying eligibility for authorization	0	0	0	0	0	0
830 Waiting period for stores that initially fail to meet authorization criteria	0	0	0	0	0	0
831 Mandatory claims collection methods	not yet estimated					0
832 State authorization to assist law enforcement officers in locating fugitive felons	0	0	0	0	0	0
833 Expedited services	0	0	0	0	0	0
834 Bases for suspensions and disqualifications	0	0	0	0	0	0
835 Authority to suspend stores violating program requirements pending administrative and judicial review	0	0	0	0	0	0
836 Disqualification of retailers who are disqualified under the WIC program	0	0	0	0	0	0
837 Permanent disbarment of retailers who intentionally submit falsified applications	0	0	0	0	0	0
838 Expanded civil and criminal forfeiture for violations	not yet estimated					0
839 Extending claims retention rates	not yet estimated					0
840 Nutrition Assistance for Puerto Rico	-37	-77	-121	-154	-210	-609
841 Expanded authority for sharing information provided by retailers	0	0	0	0	0	0
Interactions among provisions	0	0	0	0	0	0
<b>TOTAL TITLE I — FOOD STAMP PROGRAM</b>						
Budget Authority	-1187	-1482	-1596	-1719	-1850	-7834
Outlays	-1187	-1482	-1596	-1719	-1850	-7834

continued

PRELIMINARY CBO ESTIMATE OF DIRECT SPENDING OF TITLE VII OF S. \_\_\_\_  
FOOD STAMP PROGRAM INTEGRITY AND REFORM  
Draft provided by staff on July 18, 1995.

07/20/95

O - R - A - F - T

(outlays by fiscal year, in millions of dollars)

Section	1996	1997	1998	1999	2000	Total
<u>Title II - Child Nutrition Programs</u>						
842 Child and adult care food program :						
Budget Authority	-45	-310	-350	-390	-430	-1525
Outlays	-40	-270	-340	-360	-420	-1450
	just reimbursement rate change from Lugar bill. Rest not estimated yet.					
TOTAL TITLE II - CHILD NUTRITION PROGRAMS						
Budget Authority	-45	-310	-350	-390	-430	-1525
Outlays	-40	-270	-340	-360	-420	-1450
TOTAL DIRECT SPENDING						
Budget Authority	-1232	-1792	-1946	-2109	-2280	-9359
Outlays	-1227	-1752	-1936	-2099	-2270	-9284



## THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST  
 WASHINGTON, D.C. 20006  
 TELEPHONE (202) 293-7330  
 FAX (202) 293-2352

*WR - Sen Dem bill*

July 5, 1995

TO: The Mayor  
 FROM: J. Thomas Cochran, *John Cochran* Executive Director  
 RE: The Senate Welfare Reform Bill

During the 63rd Annual Conference of Mayors in Miami the Conference of Mayors unanimously adopted a policy resolution in support of Work First, the Senate Democratic leadership's welfare reform bill. The mayors found that the bill which has come out of the Senate Finance Committee was not at all consistent with the Conference's policy on welfare reform and that Work First was. We are the first bi-partisan organization to support the bill.

Conference President, Seattle Mayor Norm Rice is writing all Senators to advise them of our support for Work First. We urge you to contact your Senators and urge them to support Work First. It is unclear when welfare reform will reach the floor of the Senate, but it may occur in mid-July. There is considerable dissention in the ranks among Senate Republicans regarding the Finance Committee bill, with controversy surrounding the formula for allocating the funds among the states and the belief by some Senators that the bill does not provide significant disincentives to births to young unwed mothers, such as the denial of benefits as is included in the House-passed bill. We need to take advantage of the controversy surrounding the Finance Committee bill and try to build strong, bi-partisan support for the Work First Plan.

Work First makes dramatic changes in our welfare system, but maintains a limited entitlement for benefits:

- \* Aid to Families with Dependent Children (AFDC) would be replaced with a conditional entitlement of limited duration, Temporary Employment Assistance (TEA). To receive assistance all recipients would be required to sign a Parent Empowerment Contract which would contain an individualized plan to move the parent into the workforce as soon as possible. No family may receive assistance for more than five years except in limited circumstances. If a parent loses assistance, vouchers for the child's portion of the grant will be available for the child's assistance and the child will remain eligible for food stamps, school lunch and school breakfast and Medicaid.

- \* All able-bodied recipients would be required to work. From day one, all able-bodied recipients will be required to engage in an intensive job search. After two months, only clients who have signed the Parent Empowerment Contract and are working toward its objectives can continue receiving assistance. After two years, if an individual is not working, states will be required to offer workfare or community service.
- \* States would receive a block grant to assist recipients in obtaining jobs. Funds can be used for job-placement vouchers, wage subsidy or work supplementation, microenterprise development or self-employment, on-the-job training and other services. The block grant would have tough performance requirements.
- \* Child care would be provided to all those required to prepare for work or work. Several current AFDC child care programs (some of which are currently entitlements) would be consolidated into the Child Care Development Block Grant.
- \* Medicaid coverage would be extended an additional 12 months beyond the current one-year transition period.
- \* Mothers under age 18 would be required to live at home with an adult family member or in an adult supervised group home to qualify for benefits. They would be required to remain in school or in an alternative technical or trade program through age 18 (or 19 at state option) to qualify for benefits. States would receive grants for teen pregnancy prevention programs. Programs which target both young men and young women, are located in areas with high teen pregnancy rates or are in areas with a high incidence of individuals receiving AFDC would be targeted.
- \* Absent parents who are delinquent on their child support payments may choose to enter a repayment plan with the state or choose between a community service job or jail. States would be able to provide job placement services to absent parents if they agree to meet their child support obligations once they are employed.



## THE UNITED STATES CONFERENCE OF MAYORS

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July 3, 1995

Dear Senator:

Everyone agrees that the nation's welfare system is badly in need of reform. The U.S. Conference of Mayors has strong policy in support of meaningful welfare reform that will help move families from welfare to work, from dependency to independence. The nation's mayors believe that the Work First plan put forth by Senators Daschle, Breaux, Mikulski and others is consistent with that policy and that it will move families from welfare to work. We, therefore, urge you to support the Work First plan as an alternative to the legislation that was reported out of the Senate Finance Committee.

Work First provides a conditional entitlement of limited duration which requires work and protects children. It provides the assistance parents need to go to work, such as placement services/vouchers, microenterprise development/self-employment, on-the-job training and other services. It guarantees child care and extends Medicaid for two years during transition from welfare to work.

In contrast, the bill reported out of the Senate Finance Committee does not provide sufficient jobs, child care or health care needed to assist welfare recipients to transition to employment, revokes the entitlement status of AFDC, does not provide increased funds to the states when they experience hard times or population increases and does not require the states to match federal funds or maintain their previous level of effort. In addition, the Senate Finance Committee bill would further strain local budgets. We can expect general assistance expenditures to skyrocket in those states which provide it. At state option, federal funds will no longer be available to provide basic services and assistance to non-citizens.

The Work First Plan would provide meaningful welfare reform by moving parents into jobs while protecting children's needs. The Senate Finance Committee bill would cut the federal budget under the guise of welfare reform. It represents an abdication by the federal government of its basic responsibilities to provide for the well-being of our low income population. We urge you to vote for the Work First plan and against the Senate Finance Committee bill.

Sincerely,

A handwritten signature in cursive script that reads "Norman Rice".

Norman Rice  
Mayor of Seattle  
President