

**NATIONAL GOVERNORS' ASSOCIATION**

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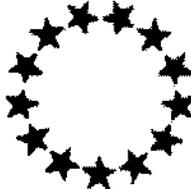
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444 North Capitol Street  
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*File  
Came # 14*

*cc: Kathi Way*

*→ Make sure Issue Groups see this.*



July 13, 1993

*DCTC  
Perf Targets*

Dear Task Force Member:

Thank you very much for participating in our meeting of July 12th and for your active involvement in developing the Task Force document, the "Conceptual Framework for National Welfare Reform." I am enclosing a revised document which reflects the changes that were made in yesterday's meeting.

The attached "Conceptual Framework" is a working document that represents our initial effort to define the issues of critical concern to state, county and local government and to set forth possible areas of agreement. This statement provides a framework for consideration by the membership of our individual organizations at their national meetings over the next few weeks.

We look forward to hearing the results of these deliberations as soon as possible prior to August 20th. The staff will compile this information and we will distribute it by September 1st. At that time, we will determine when and if another meeting of the Task Force will be scheduled to discuss next steps.

Please report back the results of your organization's meetings to me at the National Governors' Association, 444 N. Capitol Street, Washington, D. C., 20001. You may FAX them to me at (202) 624-5313.

In the meantime, I hope that staff can continue working on further defining issues and options. In addition, I expect that we will all be working with the President's Working Group to ensure that state, county and local concerns are fully understood.

Once again, thank you for your help as we move forward to replace our current welfare system with one that reinforces the values of work, responsibility, and independence, and makes available meaningful education and job training and support programs in order to make the successful transition from welfare to work.

Very truly yours,

Jim Florio  
Governor

STATE AND LOCAL TASK FORCE ON WELFARE REFORM  
Conceptual Framework for  
National Welfare Reform  
PRELIMINARY WORKING DOCUMENT

**NOTE:** The material in this paper is intended to provide a common framework for continuing discussion among the six organizations represented on the State and Local Task Force on Welfare Reform. While the paper reflects the variety of state, county and local concerns, each individual organization is in the process of reviewing this document which may result in changes or additions over the next several weeks.

Welfare should be a transitional program that moves people from temporary assistance to self-sufficiency. Welfare benefits should be based on a social contract that sets forth the responsibilities and obligations of both the beneficiary and the government. The goals of this temporary assistance program should include recognition of the essential dignity, well-being, and responsibilities of every American.

This program should be a partnership between all levels of government on behalf of the taxpayer and those who are in need of temporary assistance. The welfare program should be structured so as to encourage meaningful work and the move to independence. It should reward work and a reasonable amount of savings.

In addition to rewarding meaningful work, the welfare program should seek to support stable family relationships, ensure child support collection, and provide the necessary assistance to obtain the educational and job skills necessary to long-term self-sufficiency.

Eligibility for other government programs, such as Supplemental Security Income and Social Security Disability Insurance, should be expanded to assist those for whom work is not an option because of age or disability -- although independence and self-sufficiency should not be excluded as appropriate goals for all Americans.

The national program should be financed so as to ensure full federal funding of any mandates and should not result in new costs or a shift of federal costs to states, counties and localities. The federal government must recognize its responsibility to provide for the long term needs of children and persons who are physically or mentally disabled.

Temporary Cash Assistance

Assistance, in the form of cash grants\*, to families with children should be available for a time-limited period during which activities that are designed to make the transition from welfare to work take place.

These activities should include education, training and support services necessary to assist participants become self-sufficient. Receipt of assistance during this period should be conditioned upon ongoing compliance with the social contract. States should be granted broad flexibility in constructing components of the social contract, including requirements to begin work before the maximum time is exhausted. The ongoing financial needs of children shall be addressed in any time limited system.

Continued federal, state, county and local assistance under the national program beyond the time limited period should be dependent on a requirement of work or work-related activities unless no job, community service work opportunity or community service placement is available.

\*currently the AFDC program

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States should have the flexibility to extend assistance, with full federal financial participation, for a limited period beyond the federal standard on a case-by-case basis as needed to ensure that recipients complete education or job-training programs, complete treatment for substance abuse or other physical or mental impairments, or resolve emergency situations such as homelessness.

#### Earned Income Tax Credit

The Earned Income Tax Credit (EITC) should be expanded over time so that with food stamps, a family of four with a full-time year round worker will be brought to the poverty line. Administration of the EITC should be simplified, outreach and education to assure full participation should be expanded, and worker choice as to frequency of payment should be preserved.

#### Child Support Enforcement

Parents have an obligation to support their children.

A more effective child support system is a critical component of welfare reform. The attached paper outlines in detail Task Force recommendations on restructuring child support. The recommendations include improved federal collection tools, incentives for improved state performance, child support assurance demonstrations, and improvements to interstate enforcement.

#### Job Development

As jobs are created in the economy through various means, every effort is necessary to assure that employment is available to those making the transition from welfare to work. The private sector, the major source of new job opportunities, should be encouraged to train workers and to hire those recipients who are trained and ready to work. Incentives to employers to hire, such as targeted tax credits and wage supplementation, should be enhanced. Job development through creation of empowerment zones and enterprise communities should make jobs available to workers in transition from welfare. Public agencies at all levels of government should lead by example and accept their obligation to employ workers in transition from welfare as jobs are developed and, where appropriate, government vendors should bring workers in transition into their work force.

#### Work and Community Service

All Americans should be productive members of their community. There are various ways to achieve this goal. The preferred means is through private sector, unsubsidized work in business or the non-profit sector. Other alternatives in priority order include: unsubsidized public sector employment; subsidized jobs; grant diversion; working off the welfare grant; and volunteering in community service work.

Community service work opportunities should be developed and managed through the existing infrastructure on the federal, state, county, and local levels. Recipients should be placed in jobs that attend to the public good, such as in school systems, public works departments, social service agencies, and health care and child care facilities. Every effort should be made to place the person in a position that has a relationship to their educational and job training skills and can, therefore, act as a useful stepping stone to private sector employment.

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State and local governments should have the flexibility to utilize some portion of their funds for community services to provide short-term subsidies to assure the transition of people into private sector employment.

### Additional Support Needs

**Child Care:** The shortage of affordable, available and quality child care in the nation is a problem for working families with children at all income levels. This is a problem that is no less a burden on those who want to avoid welfare and those who want to leave welfare. The federal government should formulate a child care financial support policy which applies to all Americans. In addition, the federal government should lift regulatory barriers and allow states discretion to coordinate, consolidate and combine child care assistance administratively into one program. The Dependent Care Tax Credit should be made refundable to assist low income working families with the costs of child care. Other solutions include expansion of transitional child care for up to two years, increased support for at-risk child care, incentives and training to expand family day care, expansion of Head Start and year round school. These solutions have the added benefit of being opportunities for employment for those in transition from welfare to work.

**Health Care:** Access to quality, affordable health care for all Americans is essential to enable a person to make a permanent transition from welfare to work. Assurance of health care coverage outside the welfare system can prevent entry into the system for some and enable others who leave welfare for jobs to do so without loss of health benefits. Pending development and implementation of national health care reform, health care should be made available to those in transition from welfare to work without regard to participation in other assistance programs at fees based on a sliding scale reflecting family income.

**Transportation:** In many areas of the country transportation is a significant barrier to employment. Many workers are unable to travel to available jobs because they do not have reliable transportation. Raising asset limits would enable some to own cars so they could get to jobs. States, counties and localities should also be encouraged and assisted to coordinate use of existing transportation (e.g. school buses; vans for transportation of the elderly and disabled).

**Subsidized Housing:** For many families the cost of unsubsidized housing exceeds the amount of cash assistance they receive. Other families rely on subsidized housing for shelter, housing for which they are eligible based on their family income. In order for these families to move from welfare to work, they need to be able to remain in subsidized housing for some period of time until their earnings are high enough to enable them to pay for unsubsidized housing. Eligibility for subsidized housing should be coordinated with eligibility for other assistance programs so as to ensure that work is financially rewarded.

**Workplace adjustment:** This assistance must continue as an eligible program to meet the needs of people unfamiliar with the work environment. Help should be provided in learning and dealing with workplace requirements such as hours and punctuality, leave, appropriate dress, speech, relationships with co-workers and supervisors, and employment and labor rules, for example. The objective is to enable people to make the transition from a dependent lifestyle to a self-sufficient life within a work environment.

• Family and individual counselling, peer support groups, mentoring, and other needed family supports: These programs should be maintained throughout the transition from welfare to work.

### Program Coordination

The effective delivery of services and benefits will require better coordination and integration. Federal education, housing, health and human services, labor and agriculture agencies should remove barriers and consolidate and standardize language, programs and requirements. States and localities should be given greater flexibility in the use of existing programs.

### Transition

Pending the adoption of a new or reformed national welfare program, the federal government should:

- increase federal funding for the JOBS program, modify state matching requirements, and allow states to negotiate performance targets that reflect their economic conditions and the priorities likely to be established under a reform program. These performance targets should replace existing weekly, hourly and annual participation requirements.
- allow states additional flexibility in the design of cash assistance programs through modification of state plans rather than waivers, including but not limited to:
  - elimination of the 100 hour rule and the JOBS 20 hour rule;
  - extension of eligibility to all families with children;
  - the cash-out of food stamp benefits;
  - increasing the asset limit, especially regarding the permissible value of vehicles;
  - disregarding the income of stepparents in calculating income and eligibility;
  - converting welfare benefits to wages for grant diversion or other work in exchange for welfare programs;
  - expansion of earned income disregards; and
  - extension of support services to families until they reach economic self-sufficiency.
- allow various evaluation methods to be used in lieu of control groups.

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Implementation of Reform

There is broad support for moving ahead expeditiously with national welfare reform. As the federal government moves forward with a national program, states should be encouraged and permitted to pursue state-based welfare reform programs aggressively and to move forward on demonstrations.

States, counties and localities which are able and willing to move quickly on the implementation of welfare reform should be encouraged to do so. Appropriate incentives, technical assistance and programmatic support should be offered to them. For states which need a longer time to implement the new system, the federal role should be one of facilitating the transition with targeted technical assistance and support.

Efficiently-managed programs require investment in technology and training. The federal government must maintain its level of investment in this necessary infrastructure in order to achieve welfare reform. Federal requirements regarding the process of acquisition of technology designed to support welfare reform should be simplified and expedited.

# # #

July 12, 1993

STATE AND LOCAL TASK FORCE ON WELFARE REFORM  
Child Support Enforcement  
PRELIMINARY WORKING DOCUMENT

**NOTE:** The material in this paper is intended to provide a common framework for continuing discussion among the six organizations represented on the State and Local Task Force on Welfare Reform. While it reflects the variety of state, county and local concerns, each individual organization is in the process of reviewing this document which may result in changes or additions over the next several weeks.

The Task Force believes that a more effective child support system is a critical component of welfare reform. Both custodial and non-custodial parents must accept primary responsibility for the support of their children.

The current child support enforcement system is not working very well. States do not have the tools or the resources to run a good system. Just 58% of eligible women have orders and only half collect the full amount. This means that over 70% of mothers entitled to child support either lack support orders or do not receive the full amount due under such orders.

States, counties and localities have continued to make improvements in the establishment of paternity and support orders and in the collection of support. In particular, the Family Support Act of 1988 made important improvements to the child support system. However, the statistical data showing large arrearages and substantial differences in performance among states suggests that collections can be increased further with broader use of the more successful techniques. In addition, there are significant problems in the interstate enforcement of support obligations and there are areas where additional federal support could increase the effectiveness of state efforts.

While we believe that it is important that all states move to a more effective child support system, there is not yet consensus among Task Force members as to whether new federal mandates should be considered. The establishment and enforcement of support obligations are a central part of family law, an area long within the purview of state government. Similarly many of the proposed enforcement techniques require changes in licensing, insurance regulation, and commercial law; areas again long under state purview. As a result, many Task Force members continue to oppose additional process-oriented mandates at this time.

We would suggest that consideration of federal action to improve child support enforcement focus on the following areas:

Improved Federal Collection Tools

State governments need access to IRS data.

IRS collection tools should be available to the states.

Support obligations should be reported on a modified W4 form.

Employers should be required to report new hires to state agencies via the modified W-4 form.

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A national registry of new hires should be maintained.

A federal registry of support orders should be established and maintained.

A national computer data base of locator information should be established and maintained.

Federal resources should support effective child support enforcement.

Performance Based Incentives for State and Local Implementation

Incentives should be available to the states for the successful completion of performance outcomes. Incentive funds should be earmarked for programs that serve children.

Areas of performance might include some of the following:

\*establishing paternity

A state establishes a system to voluntarily establish paternity and achieves improvements in this area.

\*application of national child support standards

A national commission with a strong state, county and local role should be established by Congress to develop national standards for child support orders. Incentives that induce states to achieve national standards are recommended.

Federal legislation should require ERISA plans to conform to state law and regulations regarding availability of medical support.

In the event national guidelines are established prior to passage of universal access to health care, those guidelines would have to include provision for medical support, including reasonable limits on the additional costs that would be borne by the absent parent.

\*improving collections of child support

States, counties and localities should receive incentive payments for reaching certain levels of collections agreed upon in advance. This could be accomplished through adversely affecting licenses, interdicting lump sum payments, and reporting to credit agencies.

\*timeliness of interstate collections

\*processing times at key decision points

\*amount or percent of support collected

\*establishment of mediation services that resolve visitation issues

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Standards should be developed in consultation with the states, counties and localities. They should be based on actual levels of achieved performance and should be tailored to individual state conditions. At least initially, the emphasis should be on improvement rather than an arbitrary target.

#### Data Collection and Research

While there is strong evidence to support the effectiveness of a variety of enforcement tools, this data is often fragmented and is not designed to effectively answer questions about cost/benefit in specific circumstances or to allow for the careful evaluation of alternative approaches to a similar goal. More complete data and additional research on specific enforcement tools would both encourage action at the state level and improve decision making.

The federal government should expand its data collection and research capacity and work cooperatively with the states to develop priorities for future research.

#### Data Processing Systems

The existing requirements for management information systems have developed over an extended period of time. In some cases it appears that required matches between and among systems may be duplicative. In other cases the systems may not provide access to the full range of available information.

The federal government should, in cooperation with the states, undertake a comprehensive review of the management information needs of the program and develop recommendations both for the required interfaces between state systems and federal and state data bases, and for the needed interfaces among the state systems themselves.

#### Administrative Changes

It is recommended that the audit process be changed from process-oriented to outcome-oriented performance measures.

The federal Office of Child Support Enforcement should conduct a study on minimum staffing standards.

#### Technical Assistance and Support

Additional technical assistance from the federal government to the states, counties and localities is needed. Technical assistance must go beyond merely telling states and localities what they should do. Effective technical assistance requires an understanding of good practice and the ability to work with the states and localities to help decisionmakers understand the benefits of such practices and to help tailor those practices to the political and administrative conditions of each state.

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Improvements to Interstate Enforcement

One-third of child support enforcement cases require interstate collection. Federal legislation should be enacted to adopt uniform interstate child support enforcement procedures to assure that child support orders are enforced uniformly throughout the nation.

Continuing Experimentation

Authorize full federal funding for child support assurance demonstrations.

Assistance to Non-custodial Parents

Examine eligibility for job training and other services designed to improve earning capacity.

Consider elimination of disincentives to marriage, particularly for teenage parents.

In addition, we as national organizations urge states to continue to evaluate and implement the broad range of establishment and enforcement tools now in operation across the nation.

*File.  
WR-  
Gang of 14*

**STATE AND LOCAL INTEREST GROUPS  
CALL LIST**

**NATIONAL GOVERNORS' ASSOCIATION** (Carol Rasco)  
444 North Capitol Street, N.W.  
Suite 250  
Washington, D.C. 20001

- o Governor Roy Romer (D-CO), Chairman (303) 866-2471
- o Governor Carroll Campbell (R-SC),  
Vice Chairman (803) 734-9818
- o Governor Jim Florio (D-NJ) (609) 292-6000
- o Governor John Engler (R-MI) (517) 373-3400
- o Governor Brereton Jones (D-KY) (502) 564-2611
- o Governor Zell Miller (D-GA) (404) 656-1776
- o Governor Tommy G. Thompson (R-WI) (608) 266-1212
- \* Kathi Way will call Washington Representations of these offices and NGA Staff.

**NATIONAL CONFERENCE OF STATE LEGISLATURES** (Bruce Reed)  
444 North Capitol Street, N.W.  
Suite 500  
Washington, D.C. 20001

- mess* ✓ o Art Hamilton (D-AZ), President (602) 542-3392
- mess* ✓ o Grace Drake (R-OH) < Co-Chair of Welfare Reform (614) 466-7505
- o Tom Bates (D-CA) < Taskforce *mtg in San Diego, July 24* (916) 445-7554
- mess* ✓ o Jim Lack (R-NY) < NCSL representatives to the (518) 455-2071
- 2 mess* ✓ o Jane Campbell (D-OH) < Gang of Ten (614) 466-5441
- \* John Monahan will call executive director & key staff.

*day care  
Medicaid  
transportation  
state labs.*

**NATIONAL ASSOCIATION OF COUNTIES** (David Ellwood)  
440 First Street, N.W.  
8th Floor  
Washington, D.C. 20001

- o John Stroger (D), President, Board Member, (312) 443-6396  
Cook County (Chicago), IL
- o Doris M. Ward, Chair, Human Services  
& Education Steering Committee (415) 545-4851
- \* John Monahan will call E.D. & key staff.

**U.S. CONFERENCE OF MAYORS** (Jeffrey Watson)  
1620 I Street, N.W.  
Washington, D.C. 20006

- o William J. Althaus (R), President (717) 849-2221  
(Mayor, York PA)
- o Jerry Abramson (D), Vice President (502) 625-3061  
(Mayor, Louisville, KY)
- \* John Monahan will call E.D. & key staff.

NATIONAL LEAGUE OF CITIES (Jeffrey Watson)  
1301 Pennsylvania Ave., N.W.  
Washington, D.C. 20004

- o Don Fraser, President, (Mayor, (612) 673-2100  
Minneapolis, MN)
- \* John Monahan will call E.D. & key staff.

AMERICAN PUBLIC WELFARE ASSOCIATION (John Monahan)  
810 First Street, N.E.  
Suite 500  
Washington, D.C. 20002-4267

- o Larry Jackson, Chairperson, APWA's Taskforce  
on Self Sufficiency, Welfare Commission  
Virginia (804) 692-1900
- o Sid Johnson, Executive Director (202) 682-0100

To: Bruce Reed  
David Ellwood

From: Kathi Way

Re: Meeting with "Gang of 14"

When: July 12, 1993 10 A.M.

Where: Hall of the States, 400 N. Capital St

Attendees:

NGA representatives

Governor Florio, New Jersey  
Governor Miller, Georgia  
Gerald Whitburn, Wisconsin Secretary HSS (for Governor  
Thompson)  
Mike Robinson, Kentucky Commissioner of Income Security (for  
Governor Jones)

NCSL representatives

State Legislator Jane Campbell (Ohio)  
State Legislator James Lack (New York)

NACO representatives

Michael Pappas, New Jersey  
Kay Beard, Michigan

Mayors representatives

Elizabeth Rhea, Rockhill, South Carolina (U.S. Conference of  
Mayors)

APWA representatives

Larry Jackson, Commission from Virginia  
Russell Gould, Secretary Health and Welfare, California  
Kevin Concannon, Director Depart. Human Resources, Oregon

NGA will begin promptly at 10 A.M. with David. They understand David will leave about 10:45 A.M. Bruce will follow David and they would like Bruce to stay until about 11:30. If you are planning to have staff accompany you please let me know. Betty Wilson from NGA will call you to talk more specifically about what they would like included in your remarks. Some topics that could be asked include:

State flexibility and waivers  
Guaranteed public jobs?/Where are the jobs in the private sector?

Who will pay for welfare reform?

Are minimum national standards being considered?

Are we committed to a Federalized Child Support system?  
What is the timeline?  
How does Welfare Reform fit with the Health Care Reform  
effort?

CC: John Monahan  
Jeff Watson