

W/Exec Action



DEPARTMENT OF HEALTH & HUMAN SERVICES

Melissa T. Skolfield

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To: Bruce Reed

Fax: 456-5357 Phone: _____

Date: 7/15 Total number of pages sent: _____

Comments:

*Please call Amy
~~with any edits~~
~~by 6pm~~*

Thanks

*Ps. also sending to
Elena Kagan.*

EXECUTIVE ACTION ON WORK

Today, President Clinton took action to move people from welfare to work. Under new proposed rules, participants in the JOBS program will now be expected to work within two years of receiving assistance. The new rules will dramatically change expectations for both welfare recipients and welfare agencies -- to ensure that work becomes a primary goal for both. The Department of Health and Human Services also released a report today showing that 28 states have been granted welfare waivers under the Clinton Administration to implement time limits. These states are sending a strong message that welfare must be a transitional support system, rather than a way of life.

A NEW FOCUS ON WORK

Today, the President is directing HHS to propose rules to move people from welfare to work. Now, all welfare recipients in the JOBS program will be required to sign personal responsibility plans for, with limited exceptions, working within two years. These plans will also require recipients to cooperate with efforts to collect child support and to fulfill other parental responsibilities. If an individual refuses to work, even if a job is available, she will lose her AFDC benefits. With today's action, the Clinton Administration is helping people move to self-sufficiency, by providing opportunity, but demanding responsibility in return.

A REPORT OF SUCCESS

Today, HHS released a report showing that 28 states now have some form of time limit in place. Ten states require work after a certain period, 14 states time-limit cash assistance, and four do both.

Work-oriented time limits. Ten states are linking assistance to work. Many of these states require recipients to develop personal employability plans outlining specific work-oriented goals and deadlines and enforce the agreements with sanctions that include the reduction or denial of benefits. In return, states may offer services such as training, employer subsidies, and extended Medicaid and child coverage. For example, Colorado requires AFDC recipients to work or participate in a training program after two years. Vermont also requires AFDC recipients to participate in community service or public service jobs after they have received assistance for 30 months. Today, the President is requiring all 50 states to follow these states' lead and ensure that welfare recipients move into work after two years.

Cash assistance time limits. Fourteen states are placing an overall time-limit on assistance. For example, North Carolina limits assistance to two years and requires recipients to sign a personal responsibility contract and work a minimum of 30 hours per week. Florida limits cash assistance to a maximum of 24 months in any five-year period.

Work and time-limited assistance. Four states are time-limiting assistance and requiring work after a certain period. For example, Missouri requires AFDC recipients to sign and fulfill a self-sufficiency agreement that establishes a plan for work. Recipients who are not self-sufficient by the end of two years must participate in job search or work experience programs. Assistance will end after 36 months for those who have completed their agreements and left AFDC. Delaware also requires recipients to sign a work-oriented contract and work after two years. Recipients who work may receive an additional two years of assistance.

ENDING WELFARE AS WE KNOW IT

Since taking office, the Clinton Administration has freed a record 40 states from red tape to reform their own welfare systems. Welfare caseloads are down, the poverty rate is down, teen pregnancy rates are down, and food stamp rolls are down, while work and training activities among recipients are up and child support collections have reached a record high. The President has repeatedly called for bipartisan welfare reform legislation this year. If Congress sends the President a clean welfare reform bill that requires work, promotes parental responsibility, and protects children, he will sign it. Until then, President Clinton will continue his commitment to ending welfare as we know it -- in each and every state.

Questions and Answers on Work-Oriented Time Limits

Q: How exactly will this work?

A: Under the Executive Action, welfare recipients in the JOBS program will be required to sign personal responsibility plans stating that they will work after two years. For purposes of meeting this requirement, "work" will include paid work, community service work, or volunteer work. For example, Vermont already requires AFDC recipients to participate in community service or public service jobs after they have received assistance for 30 months. Delaware also requires recipients to sign a work-oriented contract and work after two years. Recipients who work may receive an additional two years of assistance.

Q: Will states have to create new jobs for welfare recipients? Does job training count as work?

A: Training does not count as work under this requirement. "Work" will include paid work, community service work, or volunteer work.

Q: What are the sanctions for noncompliance?

A: If an recipient refuses to work or engage in work-activities after two years, she would lose her AFDC benefits. Under the President's previous executive action, her lost benefits would not be offset by Food Stamp increases -- her Food Stamp benefits would remain the same.

AFDC, Medicaid and Food Stamps benefits for eligible children would continue. Assistance would be paid on the children's behalf to someone other than the non-cooperating mother. (The requirement that children still be eligible is specified in § 406(f) of the Social Security Act.)

Q: How long will this take?

A: The President's directive asks HHS to prepare a regulation as soon as possible. We expect that HHS will have something for publication in the Federal Register within two weeks. The usual comment period will follow before the regulation is final.

(Background: Under the Congress' Administrative Procedures Act, the Department is required to follow a specific timetable when it proposes regulations such as these. First, we must publish a notice of proposed rulemaking, which must be open for public comment for 60 days. We then are required to publish a final rule, which can take effect 30 days later.)

Q: Won't all this be moot if Congress passes national legislation? Why bother?

A: We certainly hope that Congress will pass national welfare reform legislation, and yes, enactment of that new law would preclude the need for this regulation. However, we've been waiting for Congress to pass an acceptable bill for quite some time, and in the meantime, we want to do everything we can to urge states to begin implementing work requirements. Twenty-eight states have time limits now because of waivers we've approved, and other states should get started now.

Q: How much will this cost?

A: That's something we expect HHS to figure out as they're drafting the regulation, but it may not cost very much if you consider the long-term payoff. Nine states are already operating this kind of time-limited work requirement under waivers, and those demonstrations aren't costing any more than ordinary welfare programs. And if Congress passes comprehensive welfare reform legislation, states will be required to do this anyway.

Q: How many people will this put to work?

A: HHS is currently writing the regulations, and some of this will depend on the states. We're challenging states to expand participation by reducing their JOBS exemptions and adopting an option to include parents whose youngest child is between the ages of one and three. If states accept this challenge, over 60 percent of the AFDC caseload will be covered by personal responsibility plans and two-year work requirements.

Q: Will this affect current JOBS participants too?

A: Yes. As JOBS participants come in for eligibility reviews, this requirement would be included in their revised personal responsibility plans.

Draft Talking Points
NGA address

Congress has a bipartisan opportunity to pass welfare reform, and I urge them to do it.

Already, reform is underway. 40 states have taken up my challenge to reward work, demand responsibility, and protect children.

Among the most innovative ideas is a time limit which requires welfare recipients to work in exchange for benefits after a short time on the rolls. 14 states now have this kind of time limit, which I've been advocating since 1992. A total of 28 states have a variant on this idea, with many putting a total limit on how long single parents can stay on the rolls.

Delaware and North Carolina, for example are.....(see draft fact sheet)

Now it's time to do more. As Congress continues to work on national legislation, I'd like every state to get started on the path to reform. Therefore, I'm directing the Secretary of Health and Human Services to do everything possible to make work, not welfare, the law of the land. As I've always said, welfare recipients should be offered a hand up, not a handout. And this should be true in all 50 states - not just in some of them.

Of course, Congress should also redouble their efforts to pass federal legislation. The NGA has been central to this, and I appreciate your support.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Melissa T. Skolfield

Assistant Secretary for Public Affairs

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Date: _____ Total number of pages sent: 7

Comments:

Please deliver ASAP

WR -
Exec Action

7/15

NOTE TO BRUCE REED --

Here's a first draft of the "time limit report." As we discussed, it's a little sketchy, but the best we can do on short notice. If you have any specific suggestions, please fax them back to Sarah's attention, or give me a call. (I may rearrange the states so they fall into the two categories we discussed.)

We're going to try to get this document and the one-page fact sheet to you by COB today.

Thanks -

Melissa

P.S. What do you want as the title? I'm thinking "Time Limit Waivers: Ending Welfare As We Know It."

STATE WELFARE DEMONSTRATIONS WITH TIME-LIMITED ASSISTANCE

Currently, twenty-six states are time-limiting assistance under welfare reform demonstrations approved by the Clinton Administration. These states are making welfare a transitional support system, rather than a way of life, by providing opportunity, but demanding responsibility in return. As under the Administration's Work and Responsibility Act, many of these states are requiring recipients to develop personal employability plans and self-sufficiency agreements containing specific goals and deadlines, and enforcing the agreements with sanctions that include reduction or denial of benefits. In return, many states offer services such as counseling, training, employer subsidies, and supports families need to move into jobs, including extended Medicaid and child care coverage. The 26 states implementing time-limited assistance include: Arizona, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington, and Wisconsin. Of these 26 states, 15 require work within a specified time frame, 15 time-limit cash benefits, and 4 states do both.

States Requiring Work Within a Specified Time Frame

COLORADO: Under Colorado's "Personal Responsibility and Employment Program," parents who are able to work or able to participate in a training program must do so after receiving AFDC benefits for two years. Individuals who refuse to perform the assignments can face a loss of AFDC benefits.

GEORGIA: Under Georgia's "Work for Welfare" demonstration, in effect in ten counties, adults who have received AFDC payments for 24 of the previous 36 months are required to work up to 20 hours per month at an assigned job in local, state or Federal government, or at a non-profit agency. If work is not available, time may be spent in job search. Courts may order non-custodial parents who are delinquent in child support payments to also take part. Failure to participate can result in the loss of the individual's benefits for one month the first time, 3 months the second, and 2 years the third. Benefits to children are not affected, and participation is not required if transportation is not available.

MARYLAND: Maryland's "Family Investment Program" (FIP), under a pilot demonstration in Anne Arundel and Prince George's counties and parts of Baltimore, requires able-bodied AFDC applicants to participate in job search as a condition of eligibility. After six months of non-compliance, the case will be closed, resulting in denial of AFDC benefits for the entire family. Closed cases can be reopened only if applicant complies with JOBS for 30 days. Closed cases may receive up to three months of non-cash transitional assistance through a third party, such as a non-profit organization.

MICHIGAN: The expanded "To Strengthen Michigan Families" welfare demonstration requires AFDC recipients to participate in either the Job Opportunities and Basic Skills Training Program (JOBS) or Michigan's "Social Contract" activities that encourage work and self-sufficiency. Michigan is also testing the requirement that AFDC applicants participate in job search, by actively seeking employment while eligibility for AFDC is being determined.

MONTANA: Montana's "Families Achieving Independence" has three components: the Job Supplement program, AFDC Pathways program, and Community Services program. The Job Supplement program helps at-risk families avoid becoming welfare dependent by providing a one-time payment of as much as three times the monthly AFDC payment the family would otherwise be eligible to receive. Other AFDC applicants must enroll in the AFDC Pathways component and sign a Family Investment Agreement that limits benefits to 24 months for one-parent families and 18 months for two-parent families, with some exceptions. Adults who do not leave AFDC by the end of the time limit must enroll in the Community Services program and perform 20 hours of community work per week. Children's AFDC benefits will not be time-limited, and they will continue to be eligible for Medicaid and food stamps.

NEW HAMPSHIRE: The statewide New Hampshire Employment Program (NHEP) requires Aid to Families with Dependent Children (AFDC) recipients to undertake job search efforts within six months of first receiving benefits, followed by six months of participation in work activities, with some exceptions. Sanctions are increased for non-cooperation or refusal of a job offer.

NORTH DAKOTA: "Training, Education, Employment and Management" (TEEM), operates in 10 North Dakota counties. TEEM requires recipients to develop a personal responsibility contract with a time limit for attaining self-sufficiency. Failure to comply with the contract brings progressive sanctions, up to and including loss of AFDC benefits for the entire family.

OKLAHOMA: Under Oklahoma's "Mutual Agreement — A Plan for Success" (MAAPS), after receiving AFDC benefits for three years in any five-year period, recipients still unable to find a job are required to work at least 24 hours a week in a subsidized job. An agreement between the recipient and the state assesses abilities and outlines rights, responsibilities and consequences. MAAPS operates in six counties.

SOUTH DAKOTA: South Dakota is initiating its "Strengthening of South Dakota Families Initiative" that encourages welfare recipients to undertake either employment or education activities. The program assigns AFDC participants to either an employment or education track that enables them to move from dependency to self-sufficiency. Individuals enrolled in the employment track will receive up to 24 months of AFDC benefits; those participating in the education track will receive up to 60 months of AFDC benefits. Upon completion of either track, participants will be expected to find employment, or failing that, will be enrolled in approved community service activities. Individuals who refuse to perform the required community service without good cause will have their benefits reduced until they comply.

VERMONT: Vermont's "Family Independence Project" (FIP) requires AFDC recipients to participate in community or public service jobs after they have received AFDC for 30 months for most AFDC families, 15 months for families participating in the unemployed parent component of AFDC.

States Time-Limiting Cash Assistance

ARIZONA: EMPOWER (Employing and Moving People Off Welfare and Encouraging Responsibility) establishes a time limit on adult AFDC benefits of 24 months in any 60-month period.

CONNECTICUT: Connecticut's "Reach for Jobs First" demonstration limits Aid to Families with Dependent Children (AFDC) payments to 21 months for employable adults, with extensions for good-faith efforts. Recipients must spend at least 12 weeks in jobs search and can keep all that they earn while on AFDC, up to the Federal poverty line for the family's size. Those subject to the time limit are given priority for participation in JOBS, and non-custodial parents may also participate. There are progressive sanctions for failure, without good cause, to comply with JOBS or child support requirements, including elimination of benefits to the full family for a third offense.

FLORIDA: Florida is implementing a "Family Transition Program" for AFDC recipients in eight counties. Under the plan, most AFDC families will be limited to collecting benefits for a maximum of 24 months in any five-year period. Individuals who exhaust their transitional AFDC benefits but are unable to find employment will be guaranteed the opportunity to work at a job paying more than their AFDC grant. The demonstration also provides a longer period of eligibility -- 36 months in any six-year period -- for families at a high-risk of becoming welfare dependent.

INDIANA: Under the Indiana Manpower Placement and Comprehensive Training Program (IMPACT), at any point in time, up to 12,000 job-ready individuals will be assigned to a "Placement Track" and receive help in job search and placement. Once on this track, AFDC benefits will be limited to 24 consecutive months. The time limit applies to adult benefits only; children's benefits will not be affected. Case management and supportive services will continue for a period after AFDC benefits end.

IOWA: Iowa is implementing "Family Investment Plan," a statewide reform plan that will encourage AFDC and Food Stamp recipients to take jobs. A Family Investment Program will be created for most AFDC parents, requiring them to participate in training and support services as a condition of AFDC receipt, and sign a personal self-sufficiency agreement that establishes a time frame for moving from welfare to work. Only parents with a child under 6 months old at home, those working at least 30 hours per week, and the disabled are exempt. Individuals who choose not to participate in the Family Investment Agreement will have their AFDC benefits phased out over six months and will not be able to reapply for another six months.

LOUISIANA: Louisiana's Individual Responsibility Project limits AFDC recipients to 24 months of benefits within any 60 month period. Exceptions are provided for recipients who are disabled, and those unable to find or keep a job through no fault of their own.

NEBRASKA: Under Nebraska's demonstration project, most welfare recipients will be given a choice between two time-limited welfare plans. One program will offer slightly lower benefits, but will enable recipients to retain more benefits when they begin to earn income from work. An alternative benefit program will offer slightly higher benefits, but the level of benefits will decrease more quickly when recipients begin to earn employment income. A non-time-limited program will remain in place, but could only be chosen by recipients exempted by the state from enrolling in one of the time-limited programs.

Under all three programs, a recipient must develop a self-sufficiency contract with a caseworker. In addition, under the two time-limited programs, cash assistance will be provided for a total of 24 months in a 48-month period; food stamps will be cashed out; AFDC payments will be

slightly reduced; and all adult wage earners must work or participate in job search, education, or training. Two years of transitional Medicaid and child care will be available for recipients who leave welfare for work. The project was implemented in two counties on July 1, 1995, and was expanded statewide the following year.

NORTH CAROLINA: North Carolina's "Work First" demonstration project requires AFDC applicants to sign a Personal Responsibility Contract before their applications can be considered. Once approved, they must work a minimum of 30 hours per week, unless exempted, and are limited to 24 months of benefits, with extensions on a case-by-case basis.

OHIO: "Ohio First" limits Aid to Families with Dependent Children (AFDC) eligibility to 36 months in any 60-month period, with good cause exceptions. As a condition of eligibility for the family, applicants must look for employment while their application is being processed.

OREGON: The "Oregon Option" limits AFDC recipients to 24 months of benefits in any seven-year period, with some exceptions. Nearly all recipients will be required to participate in the demonstration, and progressive sanctions will be imposed for failure to comply with requirements. Eligible participants will be provided subsidized public or private employment for up to nine months at minimum wage or better. The subsidies will be funded by combining AFDC grants and cashed-out Food Stamp allotments. The state will provide supplemental payments if an individual's income is less than the combined AFDC and Food Stamp benefits. Participants will continue to be eligible for Medicaid and will receive workplace mentoring and support services.

SOUTH CAROLINA: South Carolina's "Self-Sufficiency and Personal Responsibility Program" sets work requirements and provides transitional assistance for program participants. After completing Individual Self-Sufficiency Plans (ISSP's) to help prepare them to become self-sufficient, AFDC recipients have 30 days to find a job in a designated vocational area. If they fail to secure such employment, recipients receive an additional 30 days on AFDC to find any private sector job, after which time they must participate in a community work experience program in order to continue to receive AFDC benefits. Progressive sanctions for non-compliance, up to and including removal of the entire family from assistance, are components of this program.

Under South Carolina's "Family Independence Act" (FIA), AFDC benefits are limited to two years, with good faith extensions. When a family reaches the time limit, if the parent requests an extension, the state may require the family to relocate in order to accept a bona fide job offer in another part of the state. The state will provide relocation assistance, including funds for moving expenses, housing search, child care, and rent for the first month. The relocation provision would apply only to families living in counties where the unemployment rate is 50 percent higher than the rest of the state. The state will also consider good cause exceptions.

TEXAS: "Achieving Change for Texans (ACT)" sets variable time limits for adult recipients' AFDC benefits, based on education and work experience of adult recipients. The demonstration includes exemptions for those who cannot work and extensions for severe personal hardship for those who live in economically distressed areas. Families will retain Medicaid benefits if AFDC benefits are terminated upon reaching the time limit.

WASHINGTON: Washington's "Success Through Employment Program" (STEP), sets time limits on Aid to Families with Dependent Children (AFDC) by progressively reducing benefits after a family has received assistance for four years in a five year period. After four years, the grant will be reduced by 10 percent, and by another 10 percent for each additional year thereafter.

WISCONSIN: Wisconsin's reform plan, "Work Not Welfare," requires that most AFDC recipients either work or look for jobs. The plan provides case management, employment activities and work experience to facilitate employment. Receipt of AFDC benefits is limited to 24 months in a four-year period, except under certain conditions, such as an inability to find employment in the local area due to a lack of appropriate jobs. Upon exhaustion of benefits, recipients become ineligible for 36 months.

States Requiring Work Within a Specified Time Frame and Time-Limiting Cash Assistance

DELAWARE: Delaware's "A Better Chance" demonstration sets a time limit of 24 months on cash benefits for able-bodied adults over 19 years old. Gradual sanctions can lead to the family losing benefits if participants fail to meet education and employment requirements.

ILLINOIS: Illinois's "Work and Responsibility" demonstration project operates statewide, and includes a 2-year time limit on AFDC when the youngest child in the family is 13 or older, with good cause extensions. Any month in which the family has earned income will not count toward the time limit. Those who fail to find employment within the first year must accept up to 60 hours per month of work subsidized by the AFDC grant. Families that reach the time limit and do not qualify for extensions will be ineligible to reapply for further assistance for two years. New applicants with children 5-12 years of age must participate in job search and employment and will be assigned to community service if they have not found a job by the end of six months.

MISSOURI: "Missouri Families - Mutual Responsibility Plan" requires AFDC recipients to sign and fulfill a self-sufficiency agreement that establishes a plan for work and places a two-year time limit on benefits. An additional two years may be allowed, if necessary, to achieve self-sufficiency. Individuals who are not self-sufficient by the end of the time limit must participate in job search or work experience programs. Those who have received AFDC benefits for 36 months or more and have completed their agreement by leaving AFDC will not be eligible for further benefits, with certain good cause exceptions. Children's benefits will not be affected.

VIRGINIA: Under the "Virginia Initiative for Employment Not Welfare" (VIEW), to be phased in over four years, cases with non-exempt adult recipients must sign an Agreement of Personal Responsibility or risk the termination of AFDC cash benefits. Cash benefits will be limited to 24 cumulative months for cases headed by employable caretakers. During this period, adults must participate in training of employment-related activities. Earned income will be disregarded if earnings plus the AFDC allotment do not exceed the Federal Poverty Guidelines. VIEW participants who cannot find unsubsidized employment can take part in FEP, which allows the state to fund private sector subsidized employment by combining AFDC benefits with cashed-out food stamp benefits.

WR-Exec Action

WR

TO: SECRETARY SHALALA

FR: RAHM EMANUEL

BRUCE REED

RE: WELFARE REFORM

At the meeting the other day we discussed a number of upcoming issues that the President and the Administration will face concerning welfare. As a follow up to the meeting, this memo outlines the steps that need to be taken to ensure our progress on welfare.

1. In the key states we discussed HHS will contact the Governor by phone to express our general support for their welfare plan. We recognize that not all states are at the same stage in the development of their welfare reform plan.

In addition to the call, a letter will follow from Mary Jo Bane indicating our support and desire to work out remaining issues as soon as possible. The phone call and letter are not dependent on receiving a waiver request. They are clear attempts to pre-empt any claim that we are not in favor or serious about getting welfare reform done.

2. The administration does not have to wait until we receive the whole welfare reform program in order to approve the teen mom portion. Approving the Michigan teen mom waiver now would show our seriousness in proceeding on this front.

3. In the last three years we have approved 60 waivers in 37 states to reform their welfare system. It is an administration goal to reach 40 states if possible.

4. HHS will begin to develop two new initiatives for the President to announce. The first initiative is a two year time limit with an adjoining work plan. Second, parental identification.

the above steps are our understanding of the items we discussed the other day in the Chief of Staffs' office. If there are other items left off please let us know or if you have a different take on our agreement please let us know.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 7-15 ACTION/CONCURRENCE/COMMENT DUE BY: 7-16 Sam

SUBJECT: DRAFT WELFARE DIRECTIVE

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QUINN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LIEBERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LEW	<input checked="" type="checkbox"/>	<input type="checkbox"/>	216 REED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAER	<input type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input type="checkbox"/>	<input type="checkbox"/>
CURRY	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STIGLITZ	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	STREETT	<input type="checkbox"/>	<input type="checkbox"/>
HALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TYSON	<input type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HAWLEY	<input type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input type="checkbox"/>	<input type="checkbox"/>	WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>
HILLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>CLERK</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KLAIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>ANGELL</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LAKE	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please advise if you have any comment.

RESPONSE:

DRAFT 7/15/96-3
(w/o legal auth.
paragraph)

WR
Exec
Action

Memorandum of July 16, 1996

WORK REQUIREMENTS INITIATIVE

Memorandum for the Secretary of Health and Human Services

I hereby direct you, in order to move people from welfare to work, to exercise your legal authority to propose regulations that would require all welfare participants in the Job Opportunities and Basic Skills Training (JOBS) program to sign a personal responsibility plan for working within two years. After two years, any JOBS participant who refuses to work, even though a job is available, will be sanctioned by loss of her AFDC benefits.

This proposed regulation will dramatically change expectations for welfare recipients and welfare agencies, ensuring that finding work quickly becomes their primary goal.

[signature]

THE WHITE HOUSE
Washington, July 16, 1996

Welfare reform is first and foremost about work.
People who are able to work should be expected
to go to ~~the~~ work.

WR-Exec Action

February 22, 1996

Note to Rahm

Per our conversation, attached is a draft summary of possible executive actions related to welfare reform. Keep in mind that this remains a draft document and we need to have further conversations with counsel and program officials before moving forward.

I would suggest you call a meeting as soon as possible with Mary Jo Bane (ACF), Harriet Rabb (General Counsel), and appropriate White House and OMB staff to nail down the details and work assignments for moving forward.

Rich

DRAFT**DRAFT****EXECUTIVE ACTION ON WELFARE REFORM**

The executive actions outlined below offer us the opportunity to continue the Administration's efforts to achieve welfare reform and do not require specific legislative action. Under current law, the Administration can, through a combination of regulatory and administrative action, take significant steps in several areas: work requirements, individual responsibility plans, requiring teens to stay in school, and a focus on state performance in moving people from welfare to work.

Work Requirements

Proposal: Establish and strengthen work requirements.

The Family Support Act established participation standards that required the states to have specified percentages of their non-exempt AFDC caseload participating in the JOBS program each year. But those standards expired in 1995. Moreover, they have been focused more on education and training than on work requirements and moving recipients into the work force. We can solve both problems because the Family Support Act also included a more general requirement that the States "require all recipients of aid to families with dependent children to participate in the program" (S402(a)(19)(B)(i)(I) of the Social Security Act). Under its general authority, the Department can determine how it will assess compliance with this requirement, and thus impose work requirements. The Department also can use its state plan approval authority to help ensure that work and activities directed at immediate employment are stressed in the JOBS program.

We propose to set participation rates for 1996 through 1998 at 25, 30 and 35 percent of the non-exempt caseload, the same participation rates as in the Democratic Congressional welfare reform proposal. Achievement of these participation rates would be considered compliance with the general participation requirement, and the Department would initiate corrective action planning prior to formal compliance actions with any State that does not meet them. The requirement of 20 hours/week of participation would be continued. We can also make clear that unsubsidized work counts as JOBS participation and that subsidized or unsubsidized work experience and activities directed at quick movement toward employment are the preferred JOBS activities.

To ensure that these work requirements do not become unfunded mandates, States would be reminded that under current law they can draw down federal funding not only for the JOBS program but also, as they need it, for program administration and day care for participants. We propose that we use carrots as well as sticks in encouraging States to impose serious work requirements: that we plan a White House awards ceremony to recognize all the States who are making measurable progress toward moving their caseload toward work.

Individual Responsibility Plans

Proposal: Require States to have individual responsibility plans in place for most welfare recipients.

Under the Family Support Act, all JOBS participants are required to have their employability status assessed and employability plans developed. States are required to explain in their JOBS plan, as a condition of receiving JOBS funding, how they are meeting this requirement.

Since most recipients should actually be JOBS participants under the participation requirements outlined below, this requirement should apply to virtually the entire caseload. To ensure this is being implemented in a meaningful manner, the requirement can be built into the state planning process. That process could include requirements on the components of employability plans that would transform them into genuine individual responsibility plans. The plan would lay out the requirements for cooperation with child support enforcement as well as the steps that the individual and the agency would take to move the recipient quickly into employment.

Teens Required to Stay in School

Proposal: Require States to require minor parents to stay in school and encourage States to exercise option to make minor parents live at home.

The Family Support Act permits States to require minor parents to live at home and to receive assistance in the form of protective payments to their own parents. Because this is an explicit state option in the statute, it cannot be made a requirement through executive action. The law does, however, permit a requirement that minor parents stay in school, through the JOBS participation requirement and the special JOBS provisions that apply to teens who are not high school graduates.

As part of the executive action, HHS could strongly urge States to take advantage of their option. We can also include the requirement that minor parents stay in school in the requirements for state JOBS plan. In addition, we could provide public recognition for those States who enact these requirements as well as those States that take other serious steps directed at reducing teen pregnancy.

Focus on Performance

Proposal: Reallocate quality control (QC) resources to focus on achieving employment-related placement goals.

The current QC system is designed to assess payment accuracy and focuses exclusively on

monitoring compliance with eligibility requirements. Substantial state and federal resources are devoted to carrying out extensive case reviews and assessing penalties against the states for overpayments. It is possible to redirect some of these monitoring and auditing resources toward broader performance goals, such as employment and placements. As part of the executive action, HHS could moderate the QC requirements so that the states and the federal government devote additional resources to monitoring and improving performance. These steps would complement the focus on work requirements described above.



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MAR 6 1996

MEMORANDUM TO THE PRESIDENT

SUBJECT: Executive Action on Welfare Reform

Our Administration has made considerable progress in reforming the federal welfare system, even as congressional action has been stalled. As you noted in January in your State of the Union address, AFDC caseloads are down. Food Stamp rolls are down. Work participation rates and child support collections are up. And 37 governors-- Democrats and Republicans--have taken advantage of demonstration waivers issued by HHS to demand work, require responsibility, and protect children.

We now have the opportunity to take further executive action in the areas of work and responsibility, and to address the special needs of teen parents, even as we continue to work with Congress on bipartisan legislation. The actions I have outlined below would not only highlight your commitment to welfare reform, but could genuinely encourage the states to step up their own commitments to change. I believe these executive actions would spur Congress forward on bipartisan national legislation, and, if legislation is not forthcoming, would enhance the Administration's independent progress on welfare reform.

I propose four areas of action. While these proposals are severable, we see them as a package. I recommend that you issue a Presidential Memorandum instructing the Department to take action in all four areas as soon as possible.

Background

A major goal of welfare reform is to help AFDC recipients achieve economic self-sufficiency. This focus also underpinned the Family Support Act, which established the JOBS program in 1988. HHS has the authority to implement immediately proposals that strengthen the states' JOBS obligations and affect the recipients participating in JOBS programs and to urge similar changes for AFDC recipients not in the JOBS programs, bringing closer together activities and expectations for the two groups. New regulations would be required in order to place additional mandates on states and recipients in the AFDC population who do not participate in the JOBS programs.

Personal Responsibility Plans

Proposal: Require States to have Personal Responsibility Plans in place for most welfare recipients.

As a condition of receiving JOBS funding, every two years, states must submit State Plans for administering their JOBS programs. The submission and review of State Plans provide a forum for shaping the administration of the JOBS programs. As one element of program administration, states must ensure that JOBS participants receive employability status assessments and have individual employability plans. Typically, these individual plans have been oriented significantly toward education and training.

The next State Plan submissions for the JOBS programs are due this summer. We propose to require states, in their summer submissions, to commit to a work-based reorientation of their JOBS participants' individual employability plans. Prior to the summer State Plan submissions, the Department would prescribe the components of employability plans necessary to transform them into genuine Personal Responsibility Plans focused on job search, work and activities directed at quick movement of JOBS participants into the labor force.

At the same time, we would urge states to institute similar, work-based Personal Responsibility Plans for all recipients who can work, even for those who are not JOBS participants. States implementing that practice would significantly expand the scope and reach of work-based planning for their beneficiary population. Through regulation, we could make Personal Responsibility Plans a requirement for all AFDC recipients who are able to work.

Require Teens to Stay in School

Proposal: Seek to keep minor parents in school, and encourage States to make minor parents live at home.

The Family Support Act requires that JOBS participants who are minor parents and who have not graduated from high school stay in school as a condition of receiving benefits. That Act, in addition, permits states to require minor parents to live at home and to receive assistance in the form of protective payments to their own parents. Because the latter is an explicit State option in the statute, living at home could not be made a federal requirement through executive action.

As part of the executive action, HHS would have states describe how they will ensure that JOBS-participating minor parents stay in school. In addition, we would strongly urge states to take advantage of their option to require minor parents to live at home whenever appropriate and could provide public recognition for States exercising that option.

Work Requirements

Proposal: Establish and strengthen work requirements.

Two distinct actions are necessary in order to establish and strengthen work requirements: One, our new Personal Responsibility Plans should be extended to cover all AFDC recipients able to work and should be reoriented toward work. Two, new and expanded state work participation rates should be established.

The Family Support Act required that states have specified percentages of their non-exempt AFDC recipients participating in the JOBS program each year. Those participation rate standards expired in 1995. (AFDC-UP participation rates, which cover a very small part of the caseload, are currently at 60 percent, and remain in place through 1998.)

Rather than set new participation rates for just the JOBS programs, all states should aim for participation by all non-exempt recipients in work or activities leading toward work. States should set performance goals for participation and for placements. We can implement these goals incrementally.

First, in structuring this summer's round of State JOBS Plans, we would require states to incorporate the new work focus, as noted above. Additionally, we would urge states to create individual employability assessments for non-JOBS participants and to direct those employability plans, too, toward work. Second, we would redefine "participation." We would make clear that both unsubsidized and subsidized work count as participation, and that those who leave the caseload for work should be counted for six months. The requirement of 20 hours per week of work would continue to provide the basis for the participation rate.

We would establish new participation goals. In calculating the rate of participation, we would ask the states to report not only data on JOBS participants but also information on the whole non-exempt caseload working or directly preparing for work. We would suggest that participation goals for that combined population (i.e., JOBS participants and others) be set at 30 percent in 1997, 35 percent in 1998 and 40 percent in 1999. (We would separately retain the currently established requirement for the AFDC-UP recipients.)

These goals would serve as guidance to states as they plan to meet the obligations that regulations would impose on them and their recipients once such regulations are published and gain the force of law.

To ensure that these work requirements do not become unfunded mandates, states would be reminded that, under current law, they can draw down federal funding not only for

their JOBS programs but also, as they need it, for the administration of work programs for those who are not JOBS participants, and for child care expenses for all participants.

Focus on Performance

Proposal: Reallocate quality control (QC) resources toward employment-related goals, and recognize high performing States in a White House ceremony.

We do not have the authority under current law to institute a performance bonus for job placements. We can, however, take three important steps to focus on performance.

First, as noted above, we would urge that State Plans spell out participation goals. We would work with states on their plans to ensure reporting consistent with state flexibility. The Department would develop regulations that would make this proposal legally enforceable.

Second, we can reshape our Quality Control (QC) system to focus on performance. The current QC system is designed to assess payment accuracy and focuses exclusively on monitoring compliance with eligibility requirements. Substantial state and federal resources are devoted to carrying out extensive case reviews and assessing penalties against the states for overpayments. A Federal-State workgroup (our "QC Academy") last year recommended that we redirect some of these monitoring and auditing resources toward broader performance goals, such as employment and placements. As part of the executive action, HHS would modify the QC requirements so that the states and the federal government redirect resources to monitoring and improving performance.

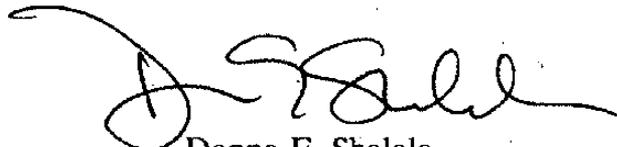
Third, we could hold a White House ceremony in May or June to recognize the progress states have made in increasing work participation, and to give special recognition to those States with the best performance or the most improvement in 1995.

Recommendation

These executive actions, combined with our ongoing work to facilitate state-by-state reforms would make significant, additional progress toward national welfare reform even if the Congress fails to pass an acceptable bipartisan bill. Prior consultation with the Governors would help to ensure successful implementation of these actions.

Page 5

I recommend that you issue a Presidential Memorandum directing my Department to take the actions outlined above.



Donna E. Shalala

12/28

Bruce --

I know you're probably swamped with budget and welfare issues, but since you're also thinking about policy announcements for next year I thought I'd send you the attached. It's the recommendations of the OPM/HHS child support working group, which were sent to OMB in October. As you know, child support enforcement was a great line in last year's State of the Union, so I thought you might want to consider other ideas. I've marked the ones that sound particularly interesting.

Melissa

RAHM -

Look at #10 (high-tech)

+ #20 (warranty to all new hires)

- BR

Section Seven: Summary of Recommendations

In closing let us reiterate the specific recommendations we are submitting to carry forward with Executive Order 12953.

1. OPM should develop legislation to give Federal agencies the authority to honor child-support orders for health-insurance coverage by enrolling dependents into the FEHBP when the employee-obligor who is enrolled fails to do so.
2. OPM and OCSE will take action to inform Federal agencies how and when stepchildren may be covered under FEHBP.
3. OPM and OCSE will remind agencies of its authority to effect a late FEHBP enrollment for a Federally-employed custodial parent when it is necessary because of circumstances beyond the employee's control.
4. OPM and OCSE will inform agencies about when a Federal employee can cover his/her grandchild under FEHBP.
5. OPM and OCSE will clarify for agencies that a custodial parent who certifies to an FEHBP carrier that he/she has custody and financial responsibility for a child may be paid directly for the child's medical claims.
6. OPM and OCSE should study the feasibility of establishing a central payroll record system for collecting, updating and disseminating home address information for child support enforcement purposes.
7. OMB and HHS should work together to inform other agencies that Privacy Act restrictions are not violated by the release of Federal employees' income and home address records to CSE agencies.
8. OPM and HHS will consider proposing legislation to facilitate the transfer of withholding orders to the Federal retirement systems.
9. OMB and HHS should encourage States and other Federal agencies to use the pilot tested standardized income withholding form.
10. OMB and HHS should encourage other Federal agencies to test the use of electronic funds transfer/electronic data interchange technology to speed up child support payments.
11. OCSE should form a work group to study ways to improve the service of process on Federal employees overseas; several points that deserve study are detailed in the body of this report.
12. OCSE should advocate changes in international conventions and other domestic and international laws to facilitate broader acceptance of service of process by mail in child support cases.

13. OCSE, in conjunction with State child support practitioners, should explore simplified, low-cost methods to facilitate translations of child support legal documents required for the Hague Convention service and other reasons.
14. OCSE should develop a comprehensive training and technical assistance strategy on international child support cases with input from all parties involved in their enforcement.
15. All Federal agencies with employees outside the United States should make clear to those employees their duty to comply with child support obligations and potential sanctions.
16. Quasi-government entities should be required to provide information about child support enforcement to current employees annually and to new employees during orientation. OCSE should distribute updated materials to these entities to facilitate the process.
17. Federal and State contacts should be identified to answer questions from both Federal and quasi-Federal entities.
18. OMB should investigate whether legislation should be proposed to expand the scope of garnishment to include nonpersonal service contracts and grants.
19. Congress should specifically include the USPS and the Postal Rate Commission in any legislation regarding Federal garnishment under Sections 461 and 462 of the Social Security Act.
- * 20. Failure to pay child support should not be a bar to Federal employment, but job applicants and new employees must be made aware of their obligations and the sanctions available if they do not meet those obligations. + names put into new hire registry.
21. New employees' obligations should be made clear in vacancy announcements and job-offer letters.

WR -
Exec Action

Job Opportunities and Basic Skills (JOBS) Program

Created by the Family Support Act of 1988 and championed by then-Governor Clinton, the Job Opportunities and Basic Skills Training (JOBS) program helps AFDC recipients become job-ready and enter the workplace. JOBS offers education, training, and job placement, as well as guaranteed child care and other support services.

To support local flexibility, the Family Support Act gave state welfare agencies primary administrative responsibility for JOBS. The law also encouraged welfare agencies to form collaborative relationships with other state agencies -- such as state employment services and state education agencies -- so that JOBS programs would fit local circumstances and needs.

Subject to the availability of state resources, AFDC recipients 16 through 59 years old must participate in JOBS unless they are exempt. Reasons for exemption include illness or incapacity, working 30 hours or more per week, or caring for children under 3 years old. However, teenage parents who have not completed high school and have children under 3 years old are not exempt and must attend school as their primary activity.

Along with today's executive actions, we're encouraging states to expand JOBS participation by reducing their JOBS exemptions and adopting an option to include parents whose youngest child is between the ages of one and three. If states accept the challenge, over 60 percent of the adult AFDC caseload will be covered by personal responsibility plans and two-year work requirements.

EXECUTIVE ACTION ON WORK

WR-Exec Action

Today, President Clinton took action to move people from welfare to work. Under new proposed rules, participants in the JOBS program will now be expected to work within two years of receiving assistance. The new rules will dramatically change expectations for both welfare recipients and welfare agencies -- to ensure that work becomes a primary goal for both. The Department of Health and Human Services also released a report today showing that 28 states have been granted welfare waivers under the Clinton Administration to implement time limits. These states are sending a strong message that welfare must be a transitional support system, rather than a way of life.

A NEW FOCUS ON WORK

Today, the President is directing HHS to propose rules to move people from welfare to work. Now, all welfare recipients in the JOBS program will be required to sign personal responsibility plans to require work within two years, with limited exemptions. Individuals who refuse to work even though a job is available will lose AFDC benefits. With today's action, the Clinton Administration is helping people move to self-sufficiency, by providing opportunity, but demanding responsibility in return.

A REPORT OF SUCCESS

Today, HHS released a report showing that 28 states now have some form of time limit in place. Ten states require work after a certain period, 14 states time-limit cash assistance, and four do both.

Work-oriented time limits. Ten states are linking assistance to work. Many of these states require recipients to develop personal employability plans outlining specific work-oriented goals and deadlines and enforce the agreements with sanctions that include the reduction or denial of benefits. In return, states may offer services such as training, employer subsidies, and extended Medicaid and child care coverage. For example, Colorado requires AFDC recipients to work or participate in a training program after two years. Vermont also requires AFDC recipients to participate in community service or public service jobs after they have received assistance for 30 months. Today, the President is requiring all 50 states to follow these states' lead and ensure that JOBS participants move into work after two years.

Cash assistance time limits. Fourteen states are placing an overall time-limit on assistance. For example, North Carolina limits assistance to two years and requires recipients to sign a personal responsibility contract and work a minimum of 30 hours per week. Florida limits cash assistance to a maximum of 24 months in any five-year period.

Work and time-limited assistance. Four states are time-limiting assistance and requiring work after a certain period. For example, Illinois's "Work and Responsibility" demonstration project operates statewide, and includes a 2-year time limit on AFDC when the youngest child in the family is 13 or older, with good cause extensions. Families that reach the time limit and do not qualify for extensions will be ineligible to reapply for further assistance for two years. New applicants with children 5-12 years of age must participate in job search and employment and will be assigned to community service if they have not found a job by the end of six months. Delaware requires recipients to sign a work-oriented contract and work after two years, limiting assistance to a total of four years.

ENDING WELFARE AS WE KNOW IT

Since taking office, the Clinton Administration has freed a record 40 states from red tape to reform their own welfare systems. Welfare caseloads are down, the poverty rate is down, teen pregnancy rates are down, and food stamp rolls are down, while work and training activities among recipients are up and child support collections have reached a record high. The President has repeatedly called for bipartisan welfare reform legislation this year. If Congress sends the President a bipartisan welfare reform bill that requires work, promotes parental responsibility, and protects children, he will sign it. Until then, President Clinton will continue his commitment to ending welfare as we know it -- in each and every state.

STATES WITH TIME LIMITS

Currently, 28 states have some form of time limit in place. Ten states require work after a certain period, 14 states time-limit cash assistance, and four do both.

10 states currently require work or work activity within a specific time frame:

Colorado
Georgia
Maryland
Michigan
New Hampshire
North Dakota
Oklahoma
South Dakota
Vermont

14 states have cash benefit time limits:

Arizona
Connecticut
Florida
Indiana
Iowa
Louisiana
Nebraska
North Carolina
Ohio
Oregon
South Carolina
Texas
Washington
Wisconsin

Four states have cash benefit time limits which also include specific time-frames for work:

Delaware
Illinois
Missouri
Virginia

**TIME-LIMITED WELFARE REFORMS:
ENDING WELFARE AS WE KNOW IT**

A Report on State Initiatives by
the Department of Health and Human Services
July 16, 1996

More Than Half the Nation Enacting Welfare Reform Under the Clinton Administration

The Clinton Administration has approved 67 demonstrations in 40 states, launching welfare reform for thousands of families in more than half of the states, more than the two previous Administrations combined. In an average month, the welfare demonstrations cover over 10 million people, representing over 75 percent of all recipients. All of the waivers which have been granted build upon many of the central principles of President Clinton's vision for welfare reform, including:

States	Principles				
	WORK: States are helping people move from welfare to work, from receiving welfare checks to earning paychecks, by increasing education and training opportunities and creating public/private sector partnerships.	Time Limited Assistance: States are making welfare a transitional support system, rather than a way of life, by providing opportunity, but demanding responsibility in return.	Child Support Enforcement: States are strengthening child support enforcement and sending a clear message that both parents must be responsible for their children.	Making Work Pay: States are providing incentives and encouraging families to work, not stay on welfare, so they can achieve and maintain economic self-sufficiency.	Parent Responsibility: States are promoting parental responsibility by encouraging education, or limiting benefits for families who have another child while on AFDC.
Arkansas					✓
Arizona	✓	✓	✓	✓	✓
California					✓
Colorado		✓		✓	✓
Connecticut	✓	✓	✓	✓	✓
Delaware	✓	✓	✓	✓	✓
Florida					✓
Georgia	✓	✓	✓	✓	✓
Hawaii					✓
Illinois	✓	✓	✓	✓	✓
Indiana					✓
Iowa		✓		✓	
Louisiana					✓
Maine	✓		✓		✓
Maryland	✓	✓	✓	✓	✓
Massachusetts	✓		✓	✓	✓
Michigan	✓	✓	✓	✓	✓
Minnesota	✓			✓	
Mississippi	✓		✓		✓
Missouri	✓	✓	✓	✓	✓
Montana	✓	✓	✓	✓	✓
Nebraska	✓	✓		✓	✓
New Hampshire	✓	✓		✓	
New York			✓	✓	✓
North Carolina		✓	✓	✓	✓
North Dakota	✓	✓	✓	✓	✓
Ohio	✓	✓	✓	✓	✓
Oklahoma	✓	✓		✓	✓
Oregon				✓	
Pennsylvania				✓	✓
South Carolina	✓	✓	✓	✓	✓
South Dakota	✓	✓		✓	
Texas	✓	✓	✓	✓	✓
Utah	✓			✓	
Vermont	✓	✓	✓	✓	✓
Virginia	✓	✓	✓	✓	✓
Washington		✓	✓	✓	✓
West Virginia	✓			✓	
Wisconsin	✓	✓	✓	✓	✓
Wyoming	✓			✓	✓

STATE WELFARE DEMONSTRATIONS WITH TIME-LIMITED ASSISTANCE

Currently, 28 states are time-limiting assistance under welfare reform demonstrations approved by the Clinton Administration. These states are making welfare a transitional support system, rather than a way of life, by providing opportunity, but demanding responsibility in return.

As under the Administration's Work and Responsibility Act, many of these states are requiring recipients to develop personal employability plans and self-sufficiency agreements containing specific goals and deadlines, and enforcing the agreements with sanctions that include reduction or denial of benefits. In return, many states offer services such as counseling, training, employer subsidies, and supports families need to move into jobs, including extended Medicaid and child care coverage.

The 28 states implementing time-limited assistance include: Arizona, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington, and Wisconsin. Of these 28 states, 10 require work within a specified time frame, 14 time-limit cash benefits, and 4 states do both.

Many of the states are concentrating first on AFDC recipients in the existing JOBS (Job Opportunities and Basic Skills) program, but encouraging JOBS participants to work rather than attend education or training programs. Most states are also combining time limits with other reforms, such as child support enforcement initiatives, work incentives, and work requirements.

STATES REQUIRING WORK WITHIN A SPECIFIED TIME FRAME

Colorado: Under Colorado's "Personal Responsibility and Employment Program," parents who are able to work or able to participate in a training program must do so after receiving AFDC benefits for two years. Individuals who refuse to perform the assignments can face a loss of AFDC benefits. This demonstration operates in five counties.

Georgia: Under Georgia's "Work for Welfare" demonstration, in effect in ten counties, adults who have received AFDC payments for 24 of the previous 36 months are required to work up to 20 hours per month at an assigned job in local, state or Federal government, or at a non-profit agency. If work is not available, time may be spent in job search. Courts may order non-custodial parents who are delinquent in child support payments to also take part. Failure to participate can result in the loss of the individual's benefits for one month the first time, 3 months the second, and 2 years the third. Benefits to children are not affected, and participation is not required if transportation is not available.

Maryland: Maryland's "Family Investment Program" (FIP), operating under a pilot demonstration in Anne Arundel and Prince George's counties and parts of Baltimore, requires able-bodied AFDC applicants to participate in job search as a condition of eligibility. After six months of non-compliance, a case will be closed, resulting in denial of AFDC benefits for the entire family. Closed cases can be reopened only if an applicant complies with JOBS requirements for 30 days. Closed cases may receive up to three months of non-cash transitional assistance through a third party, such as a non-profit organization.

Michigan: The expanded "To Strengthen Michigan Families" welfare demonstration requires AFDC recipients to participate in either the Job Opportunities and Basic Skills Training Program (JOBS) or Michigan's "Social Contract" activities that encourage work and self-sufficiency. Michigan is also testing the requirement that AFDC applicants participate in job search, by actively seeking employment while eligibility for AFDC is being determined. This demonstration operates statewide.

Montana: Montana's "Families Achieving Independence" has three components: the Job Supplement program, AFDC Pathways program, and Community Services program. The Job Supplement program helps at-risk families avoid becoming welfare dependent by providing a one-time payment of as much as three times the monthly AFDC payment the family would otherwise be eligible to receive. Other AFDC applicants must enroll in the AFDC Pathways component and sign a Family Investment Agreement that limits benefits to 24 months for one-parent families and 18 months for two-parent families, with some exceptions. Adults who do not leave AFDC by the end of the time limit must enroll in the Community Services program and perform 20 hours of community work per week. Children's AFDC benefits will not be time-limited, and they will continue to be eligible for Medicaid and food stamps. This demonstration operates statewide.

New Hampshire: The statewide "New Hampshire Employment Program" (NHEP) requires Aid to Families with Dependent Children (AFDC) recipients to undertake job search efforts within six months of first receiving benefits, followed by six months of participation in work activities, with some exceptions. Sanctions are increased for non-cooperation or refusal of a job offer.

North Dakota: "Training, Education, Employment and Management" (TEEM) operates in 10 North Dakota counties. TEEM requires recipients to develop a personal responsibility contract with a time limit for attaining self-sufficiency. Failure to comply with the contract brings progressive sanctions, up to and including loss of AFDC benefits for the entire family.

Oklahoma: Under Oklahoma's "Mutual Agreement — A Plan for Success" (MAAPS), after receiving AFDC benefits for three years in any five-year period, recipients still unable to find a job are required to work at least 24 hours a week in a subsidized job. An agreement between the recipient and the state assesses abilities and outlines rights, responsibilities and consequences. MAAPS operates in six counties.

South Dakota: South Dakota is initiating its "Strengthening of South Dakota Families Initiative" that encourages welfare recipients to undertake either employment or education activities. The program assigns AFDC participants to either an employment or education track that enables them to move from dependency to self-sufficiency. Individuals enrolled in the employment track will receive up to 24 months of AFDC benefits; those participating in the education track will receive up to 60 months of AFDC benefits. Upon completion of either track, participants will be expected to find employment, or failing that, will be enrolled in approved community service activities. Individuals who refuse to perform the required community service without good cause will have their benefits reduced until they comply. This demonstration operates statewide.

Vermont: Vermont's statewide "Family Independence Project" (FIP) requires AFDC recipients to participate in community or public service jobs after they have received AFDC for 30 months for most AFDC families, and 15 months for families participating in the unemployed parent component of AFDC.

STATES TIME-LIMITING CASH ASSISTANCE

Arizona: EMPOWER (Employing and Moving People Off Welfare and Encouraging Responsibility) establishes statewide a time limit on adult AFDC benefits of 24 months in any 60-month period. An additional pilot project operates in three areas of Pinal County. The pilot will provide work experience by placing participants in subsidized jobs for 9 to 12 months, funded by AFDC grants and cashed-out food stamp allotments. Months spent in a subsidized job will not count toward the time limit.

Connecticut: Connecticut's "A Fair Chance" initiative is designed to increase supports, incentives, and work expectations for AFDC recipients. The "Pathways" component, implemented in the New Haven and Manchester areas, requires AFDC recipients to work a minimum of 15 hours a week after two years of AFDC, 25 hours a week after three years, and 35 hours a week after four years. Connecticut's statewide "Reach for Jobs First" demonstration limits Aid to Families with Dependent Children (AFDC) payments to 21 months for employable adults, with extensions for good-faith efforts. Recipients must spend at least 12 weeks in jobs search and can keep all that they earn while on AFDC, up to the Federal poverty line for the family's size. Those subject to the time limit are given priority for participation in JOBS, and non-custodial parents may also participate. There are progressive sanctions for failure, without good cause, to comply with JOBS or child support requirements, including elimination of benefits to the full family for a third offense.

Florida: Florida is implementing a "Family Transition Program" for AFDC recipients in eight counties. Under the plan, most AFDC families will be limited to collecting benefits for a maximum of 24 months in any five-year period. Individuals who exhaust their transitional AFDC benefits but are unable to find employment will be guaranteed the opportunity to work at a job paying more than their AFDC grant. The demonstration also provides a longer period of eligibility -- 36 months in any six-year period -- for families at a high-risk of becoming welfare dependent.

Indiana: Under the "Indiana Manpower Placement and Comprehensive Training Program" (IMPACT), at any point in time, up to 12,000 job-ready individuals statewide will be assigned to a "Placement Track" and receive help in job search and placement. Once on this track, AFDC benefits will be limited to 24 consecutive months. The time limit applies to adult benefits only; children's benefits will not be affected. Case management and supportive services will continue for a period after AFDC benefits end.

Iowa: Iowa is implementing "Family Investment Plan," a statewide reform plan that will encourage AFDC and Food Stamp recipients to take jobs. Recipients, with few exceptions, are required participate in training and support services as a condition of AFDC receipt. They also must sign a Family Investment Agreement (FIA) that outlines activities and time frames for moving from welfare to work, after which AFDC benefits will be terminated when the need for public assistance ends. If a recipient demonstrates effort and satisfactory progress, but is unable to achieve self-sufficiency within the time frame specified in the FIA, the State will extend the time frame. Only parents with a child under 6 months old at home, those working at least 30 hours per week, and the disabled are exempt. Individuals who do not comply with the Family Investment Agreement will have their AFDC benefits phased out over six months and will not be able to reapply for another six months.

Louisiana: Louisiana's statewide "Individual Responsibility Project" limits AFDC recipients to 24 months of benefits within any 60 month period. Exceptions are provided for recipients who are disabled, and those unable to find or keep a job through no fault of their own.

Nebraska: Under Nebraska's demonstration project, most welfare recipients will be given a choice between two time-limited welfare plans. One program will offer slightly lower benefits, but will enable recipients to retain more benefits when they begin to earn income from work. An alternative benefit program will offer slightly higher benefits, but the level of benefits will decrease more quickly when recipients begin to earn employment income. A non-time-limited program will remain in place, but could only be chosen by recipients exempted by the state from enrolling in one of the time-limited programs. Under all three programs, a recipient must develop a self-sufficiency contract with a caseworker. In addition, under the two time-limited programs, cash assistance will be provided for a total of 24 months in a 48-month period; food stamps will be cashed out; AFDC payments will be slightly reduced; and all adult wage earners must work or participate in job search, education, or training. Two years of transitional Medicaid and child care will be available for recipients who leave welfare for work. The project has been implemented in five counties.

North Carolina: North Carolina's statewide "Work First" demonstration project requires AFDC applicants to sign a Personal Responsibility Contract before their applications can be considered. Once approved, they must work a minimum of 30 hours per week, unless exempted, and are limited to 24 months of benefits, with extensions on a case-by-case basis.

Ohio: "Ohio First" limits Aid to Families with Dependent Children (AFDC) eligibility to 36 months in any 60-month period, with good cause exceptions. As a condition of eligibility for the family, applicants must look for employment while their application is being processed, and must develop a Self-Sufficiency Contract with the state. Progressive sanctions are applied for failure to cooperate with employment activities. This demonstration operates statewide.

Oregon: The statewide "Oregon Option" limits AFDC recipients to 24 months of benefits in any seven-year period, with some exceptions. Nearly all recipients will be required to participate in the demonstration, and progressive sanctions will be imposed for failure to comply with requirements. Eligible participants will be provided subsidized public or private employment for up to nine months at minimum wage or better. The subsidies will be funded by combining AFDC grants and cashed-out Food Stamp allotments. The state will provide supplemental payments if an individual's income is less than the combined AFDC and Food Stamp benefits. Participants will continue to be eligible for Medicaid and will receive workplace mentoring and support services.

South Carolina: South Carolina's "Self-Sufficiency and Personal Responsibility Program," operating in four counties, sets work requirements and provides transitional assistance for program participants. After completing Individual Self-Sufficiency Plans (ISSP's) to help prepare them to become self-sufficient, AFDC recipients have 30 days to find a job in a designated vocational area. If they fail to secure such employment, recipients receive an additional 30 days on AFDC to find any private sector job, after which time they must participate in a community work experience program in order to continue to receive AFDC benefits. Progressive sanctions for non-compliance, up to and including removal of the entire family from assistance, are components of this program.

Under South Carolina's statewide "Family Independence Act" (FIA), AFDC benefits are limited to two years, with good faith extensions. When a family reaches the time limit, if the parent requests an extension, the state may require the family to relocate in order to accept a bona fide job offer in another part of the state. The state will provide relocation assistance, including funds for moving expenses, housing search, child care, and rent for the first month. The relocation provision would apply only to families living in counties where the unemployment rate is 50 percent higher than the rest of the state. The state will also consider good cause exceptions.

Texas: "Achieving Change for Texans (ACT)," a statewide demonstration, sets variable time limits for adult recipients' AFDC benefits, based on education and work experience of adult recipients. The demonstration includes exemptions for those who cannot work and extensions for severe personal hardship for those who live in economically distressed areas. Families will retain Medicaid benefits if AFDC benefits are terminated upon reaching the time limit.

Washington: Washington's statewide "Success Through Employment Program" (STEP), sets time limits on Aid to Families with Dependent Children (AFDC) by progressively reducing benefits after a family has received assistance for four years in a five year period. After four years, the grant will be reduced by 10 percent, and by another 10 percent for each additional year thereafter.

Wisconsin: "Work Not Welfare," operating in two counties, requires that most AFDC recipients either work or look for jobs. The plan provides case management, employment activities and work experience to facilitate employment. Receipt of AFDC benefits is limited to 24 months in a four-year period, except under certain conditions, such as an inability to find employment in the local area due to a lack of appropriate jobs. Upon exhaustion of benefits, recipients become ineligible for 36 months.

STATES REQUIRING WORK WITHIN A SPECIFIED TIME FRAME AND TIME-LIMITING CASH ASSISTANCE

Delaware: Delaware's statewide "A Better Chance" demonstration sets a time limit of 24 months on cash benefits for able-bodied adults over 19 years old. Gradual sanctions can lead to the family losing benefits if participants fail to meet education and employment requirements.

Illinois: Illinois's "Work and Responsibility" demonstration project operates statewide, and includes a 2-year time limit on AFDC when the youngest child in the family is 13 or older, with good cause extensions. Any month in which the family has earned income will not count toward the time limit. Those who fail to find employment within the first year must accept up to 60 hours per month of work subsidized by the AFDC grant. Families that reach the time limit and do not qualify for extensions will be ineligible to reapply for further assistance for two years. New applicants with children 5-12 years of age must participate in job search and employment and will be assigned to community service if they have not found a job by the end of six months.

Missouri: The statewide "Missouri Families - Mutual Responsibility Plan" requires AFDC recipients to sign and fulfill a self-sufficiency agreement that establishes a plan for work and places a two-year time limit on benefits. An additional two years may be allowed, if necessary, to achieve self-sufficiency. Individuals who are not self-sufficient by the end of the time limit must participate in job search or work experience programs. Those who have received AFDC benefits for 36 months or more and have completed their agreement by leaving AFDC will not be eligible for further benefits, with certain good cause exceptions. Children's benefits will not be affected.

Virginia: Under the "Virginia Initiative for Employment Not Welfare (VIEW)," a component of the statewide "Virginia Independence Program (VIP)," non-exempt adult recipients must sign an Agreement of Personal Responsibility or risk termination of AFDC cash benefits. Cash benefits will be limited to 24 cumulative months for cases headed by employable caretakers. During this period, adults must participate in training or employment-related activities. Earned income will be disregarded if earnings plus the AFDC allotment do not exceed the Federal Poverty Guidelines. VIEW participants who cannot find unsubsidized employment can take part in the "Full Employment Program (FEP)," which allows the state to fund private sector subsidized employment by combining AFDC benefits with cashed-out food stamp benefits.

Questions and Answers on Work-Oriented Time Limits

Q: How exactly will this work?

A: Under the Executive Action, welfare recipients in the JOBS program will be required to sign personal responsibility plans for, with limited exceptions, working within two years. For purposes of meeting this requirement, "work" will include paid work, community service work, or volunteer work. For example, Vermont already requires AFDC recipients to participate in community service or public service jobs after they have received assistance for 30 months. Colorado also requires AFDC recipients to work after two years.

Q: Will states have to create new jobs for welfare recipients? Does job training count as work?

A: Training does not count as work under this requirement. "Work" will include paid work, community service work, or volunteer work.

Q: What are the sanctions for noncompliance?

A: If an individual refuses to work or engage in work-activities after two years, she would lose her AFDC benefits. Under the President's previous executive action, her lost benefits would not be offset by Food Stamp increases -- her Food Stamp benefits would remain the same.

AFDC, Medicaid and Food Stamps benefits for eligible children would continue. Assistance would be paid on the children's behalf to someone other than the non-cooperating mother. (The requirement that children still be eligible is specified in § 406(f) of the Social Security Act.)

Q: How long will this take?

A: The President's directive asks HHS to prepare a regulation. We expect that HHS will have something for publication in the Federal Register within 60 days. The usual comment period will follow before the regulation is final.

(Background: Under the Congress' Administrative Procedures Act, the Department is required to follow a specific timetable when it proposes regulations such as these. First, we must publish a notice of proposed rulemaking, which must be open for public comment for 60 days. We then are required to publish a final rule, which can take effect 30 days later.)

Q: Won't all this be moot if Congress passes national legislation? Why bother?

A: We certainly hope that Congress will pass national welfare reform legislation, and yes, enactment of that new law would preclude the need for this regulation. However, we've been waiting for Congress to pass an acceptable bill for quite some time, and in the meantime, we want to do everything we can to urge states to begin implementing work requirements. Fourteen states now have time limits followed by work because of waivers we've approved, and other states should get started now.

Q: How much will this cost?

A: That's something we expect HHS to figure out as they're drafting the regulation, but it may not cost very much if you consider the long-term payoff. Fourteen states are already operating this kind of time-limited work requirement under waivers, and those demonstrations aren't costing any more than ordinary welfare programs. And if Congress passes comprehensive welfare reform legislation, states will be required to do this anyway.

Q: How many people will this put to work?

A: HHS is currently writing the regulations, and some of this will depend on the states. If states were to expand participation by reducing their JOBS exemptions and adopting an option to include parents whose youngest child is between the ages of one and three. If states accept this challenge, over 60 percent of the AFDC caseload will be covered by personal responsibility plans and two-year work requirements.

Q: Will this affect current as well as new JOBS participants?

A: Yes. As JOBS participants come in for eligibility reviews, this requirement would be included in their revised personal responsibility plans.

WR - Exec Action

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 7-15 ACTION/CONCURRENCE/COMMENT DUE BY: 7-16 Sam

SUBJECT: DRAFT WELFARE DIRECTIVE

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QUINN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LIEBERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LEW	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAER	<input type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input type="checkbox"/>	<input type="checkbox"/>
CURRY	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STIGLITZ	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	STREETT	<input type="checkbox"/>	<input type="checkbox"/>
HALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TYSON	<input type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HAWLEY	<input type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input type="checkbox"/>	<input type="checkbox"/>	WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>
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KLAIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>ANGELL</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LAKE	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: _____
Please advise if you have any comment.

RESPONSE: _____

Memorandum of July 16, 1996

WORK REQUIREMENTS INITIATIVE

Memorandum for the Secretary of Health and Human Services

I hereby direct you, in order to move people from welfare to work, to exercise your legal authority to propose regulations that would require all welfare participants in the Job Opportunities and Basic Skills Training (JOBS) program to sign a personal responsibility plan for working within two years. After two years, any JOBS participant who refuses to work, even though a job is available, will be sanctioned by loss of her AFDC benefits.

This proposed regulation will dramatically change expectations for welfare recipients and welfare agencies, ensuring that finding work quickly becomes their primary goal.

[signature]

THE WHITE HOUSE
Washington, July 16, 1996

Welfare reform is first and foremost about work.
People who are able to work should be expected
to go to ~~the~~ work.

WHITE HOUSE STAFFING MEMORANDUM

WR-Exec. Action

DATE: 3-6 ACTION/CONCURRENCE/COMMENT DUE BY: 3-7

SUBJECT: Executive Action on Welfare Reform

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QUINN	<input type="checkbox"/>	<input type="checkbox"/>
LIEBERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RIVLIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CURRY	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STIGLITZ	<input type="checkbox"/>	<input type="checkbox"/>
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HALE	<input type="checkbox"/>	<input type="checkbox"/>	TYSON	<input type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WALLEY	<input type="checkbox"/>	<input type="checkbox"/>
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LAKE	<input type="checkbox"/>	<input type="checkbox"/>	<u>Spearing</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>	_____		

E.O.
 1. 5-yr limit
 2. Work/rent rates
 3. Perf measures
 4. Minor issues
opt.
 PR contracts
 Family cap

REMARKS: Please advise.

RESPONSE:



MAR 6 1996

96 MAR 6 P 1:23

MEMORANDUM TO THE PRESIDENT

SUBJECT: Executive Action on Welfare Reform

Our Administration has made considerable progress in reforming the federal welfare system, even as congressional action has been stalled. As you noted in January in your State of the Union address, AFDC caseloads are down. Food Stamp rolls are down. Work participation rates and child support collections are up. And 37 governors-- Democrats and Republicans--have taken advantage of demonstration waivers issued by HHS to demand work, require responsibility, and protect children.

We now have the opportunity to take further executive action in the areas of work and responsibility, and to address the special needs of teen parents, even as we continue to work with Congress on bipartisan legislation. The actions I have outlined below would not only highlight your commitment to welfare reform, but could genuinely encourage the states to step up their own commitments to change. I believe these executive actions would spur Congress forward on bipartisan national legislation, and, if legislation is not forthcoming, would enhance the Administration's independent progress on welfare reform.

I propose four areas of action. While these proposals are severable, we see them as a package. I recommend that you issue a Presidential Memorandum instructing the Department to take action in all four areas as soon as possible.

Background

A major goal of welfare reform is to help AFDC recipients achieve economic self-sufficiency. This focus also underpinned the Family Support Act, which established the JOBS program in 1988. HHS has the authority to implement immediately proposals that strengthen the states' JOBS obligations and affect the recipients participating in JOBS programs and to urge similar changes for AFDC recipients not in the JOBS programs, bringing closer together activities and expectations for the two groups. New regulations would be required in order to place additional mandates on states and recipients in the AFDC population who do not participate in the JOBS programs.

Personal Responsibility Plans

Proposal: Require States to have Personal Responsibility Plans in place for most welfare recipients.

As a condition of receiving JOBS funding, every two years, states must submit State Plans for administering their JOBS programs. The submission and review of State Plans provide a forum for shaping the administration of the JOBS programs. As one element of program administration, states must ensure that JOBS participants receive employability status assessments and have individual employability plans. Typically, these individual plans have been oriented significantly toward education and training.

The next State Plan submissions for the JOBS programs are due this summer. We propose to require states, in their summer submissions, to commit to a work-based reorientation of their JOBS participants' individual employability plans. Prior to the summer State Plan submissions, the Department would prescribe the components of employability plans necessary to transform them into genuine Personal Responsibility Plans focused on job search, work and activities directed at quick movement of JOBS participants into the labor force.

At the same time, we would urge states to institute similar, work-based Personal Responsibility Plans for all recipients who can work, even for those who are not JOBS participants. States implementing that practice would significantly expand the scope and reach of work-based planning for their beneficiary population. Through regulation, we could make Personal Responsibility Plans a requirement for all AFDC recipients who are able to work.

Require Teens to Stay in School

Proposal: Seek to keep minor parents in school, and encourage States to make minor parents live at home.

The Family Support Act requires that JOBS participants who are minor parents and who have not graduated from high school stay in school as a condition of receiving benefits. That Act, in addition, permits states to require minor parents to live at home and to receive assistance in the form of protective payments to their own parents. Because the latter is an explicit State option in the statute, living at home could not be made a federal requirement through executive action.

As part of the executive action, HHS would have states describe how they will ensure that JOBS-participating minor parents stay in school. In addition, we would strongly urge states to take advantage of their option to require minor parents to live at home whenever appropriate and could provide public recognition for States exercising that option.

Work Requirements

Proposal: Establish and strengthen work requirements.

Two distinct actions are necessary in order to establish and strengthen work requirements: One, our new Personal Responsibility Plans should be extended to cover all AFDC recipients able to work and should be reoriented toward work. Two, new and expanded state work participation rates should be established.

The Family Support Act required that states have specified percentages of their non-exempt AFDC recipients participating in the JOBS program each year. Those participation rate standards expired in 1995. (AFDC-UP participation rates, which cover a very small part of the caseload, are currently at 60 percent, and remain in place through 1998.)

Rather than set new participation rates for just the JOBS programs, all states should aim for participation by all non-exempt recipients in work or activities leading toward work. States should set performance goals for participation and for placements. We can implement these goals incrementally.

First, in structuring this summer's round of State JOBS Plans, we would require states to incorporate the new work focus, as noted above. Additionally, we would urge states to create individual employability assessments for non-JOBS participants and to direct those employability plans, too, toward work. Second, we would redefine "participation." We would make clear that both unsubsidized and subsidized work count as participation, and that those who leave the caseload for work should be counted for six months. The requirement of 20 hours per week of work would continue to provide the basis for the participation rate.

We would establish new participation goals. In calculating the rate of participation, we would ask the states to report not only data on JOBS participants but also information on the whole non-exempt caseload working or directly preparing for work. We would suggest that participation goals for that combined population (i.e., JOBS participants and others) be set at 30 percent in 1997, 35 percent in 1998 and 40 percent in 1999. (We would separately retain the currently established requirement for the AFDC-UP recipients.)

These goals would serve as guidance to states as they plan to meet the obligations that regulations would impose on them and their recipients once such regulations are published and gain the force of law.

To ensure that these work requirements do not become unfunded mandates, states would be reminded that, under current law, they can draw down federal funding not only for

their JOBS programs but also, as they need it, for the administration of work programs for those who are not JOBS participants, and for child care expenses for all participants.

Focus on Performance

Proposal: Reallocate quality control (QC) resources toward employment-related goals, and recognize high performing States in a White House ceremony.

We do not have the authority under current law to institute a performance bonus for job placements. We can, however, take three important steps to focus on performance.

First, as noted above, we would urge that State Plans spell out participation goals. We would work with states on their plans to ensure reporting consistent with state flexibility. The Department would develop regulations that would make this proposal legally enforceable.

Second, we can reshape our Quality Control (QC) system to focus on performance. The current QC system is designed to assess payment accuracy and focuses exclusively on monitoring compliance with eligibility requirements. Substantial state and federal resources are devoted to carrying out extensive case reviews and assessing penalties against the states for overpayments. A Federal-State workgroup (our "QC Academy") last year recommended that we redirect some of these monitoring and auditing resources toward broader performance goals, such as employment and placements. As part of the executive action, HHS would modify the QC requirements so that the states and the federal government redirect resources to monitoring and improving performance.

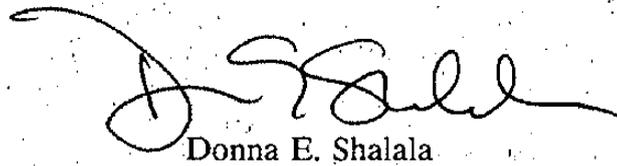
Third, we could hold a White House ceremony in May or June to recognize the progress states have made in increasing work participation, and to give special recognition to those States with the best performance or the most improvement in 1995. ▾

Recommendation

These executive actions, combined with our ongoing work to facilitate state-by-state reforms would make significant, additional progress toward national welfare reform even if the Congress fails to pass an acceptable bipartisan bill. Prior consultation with the Governors would help to ensure successful implementation of these actions.

Page 5

I recommend that you issue a Presidential Memorandum directing my Department to take the actions outlined above.

A handwritten signature in black ink, appearing to read "D. Shalala", with a large, sweeping initial "D" and a long horizontal flourish extending to the right.

Donna E. Shalala

EXECUTIVE ACTION ON CHILD SUPPORT

WR Exec Action

Today, President Clinton announced three actions to strengthen the child support enforcement system and promote parental responsibility. These actions include: implementing a new program that will help track non-paying parents across state lines; challenging all states to adopt statewide new hire reporting programs; and issuing new regulations requiring women who apply for welfare to comply with paternity establishment requirements before receiving benefits. The President also announced approval of a welfare reform demonstration for New Hampshire -- the 40th state to receive a welfare reform waiver under the Clinton Administration.

A New Federal Program to Track Delinquent Parents Across State Lines Approximately 30 percent of the current child support caseload involves interstate cases, and the President announced today a new program that will help track delinquent parents from job to job and across state lines. Under the new program, the twenty-five states with existing new hire reporting systems will be able to send new hire information to the Department of Health and Human Services (HHS). The data will then be matched by computer against lists of non-paying parents sent to the Department from all the states. When a match is found, HHS will contact the state so that the state can issue a wage withholding order or take other appropriate action, such as initiating paternity proceedings. This program is based on the comprehensive national new hire reporting system contained in the President's welfare reform bill. If enacted, this national system would increase child support collections by an additional \$6.4 billion and reduce federal welfare payments by \$1.1 billion over 10 years.

State New Hire Reporting Programs Although there is currently no interstate program, twenty-five states have already increased their own collections by requiring or encouraging employers to report new hires. Washington, for example, has reduced the time required to receive employment information from 178 days to 43 days. That means better collections, faster wage withholding, and more child support for children. In addition, Washington's program is extremely cost effective. Washington reports that every state dollar spent on the program returns approximately \$20 in child support collections. The state collected \$7.8 million in the first 18 months of its program, half of which was used to decrease welfare costs and save taxpayers' money. Florida's new hire program made over 8,000 matches for child support cases in 1995 -- the annual amount of support owed under these cases is \$15.2 million. Today, the President is challenging the remaining 25 states to adopt new hire reporting programs.

New Regulations Requiring Mothers to Cooperate With Paternity Establishment Efforts Today, President Clinton also directed the Department of Health and Human Services to issue new regulations that require all mothers who apply for welfare to cooperate with paternity establishment prior to receiving benefits (subject to appropriate "good cause" exceptions). In addition, under a new, stricter definition of cooperation, applicants and recipients will be required to provide the name of their child's father and other identifying information, such as his address or place of employment, as a condition of benefit eligibility. Welfare applicants must also be referred to the state child support agency within two days of application, so that the agency can initiate a legal paternity action if necessary. This executive action is based on the stricter cooperation requirements in the President's welfare reform proposal, and it builds upon the in-hospital paternity establishment program proposed by the Clinton Administration and passed by Congress in 1993.

Ending Welfare As We Know It Today, President Clinton announced approval of a statewide welfare reform demonstration for New Hampshire. The Clinton Administration has now approved 63 welfare reform demonstrations for 40 states -- more than all previous administrations combined. In an average month, these welfare demonstrations cover more than 10 million people -- approximately 75 percent of all AFDC recipients. In addition, in 1995, the federal-state partnership collected a record \$11 billion in child support from non-custodial parents, an increase of \$3 billion or nearly 40 percent since 1992. Paternity establishments also increased by over 40 percent from 1992 to 1995.

The measures announced today will increase child support collections and continue to reform welfare state by state, but they are not a substitute for national welfare reform legislation. In 1994, the President proposed five measures to increase child support collections by an additional \$24 billion and reduce federal welfare costs by \$4 billion over 10 years: the national new hire reporting system; streamlined paternity establishment and stricter cooperation requirements; uniform interstate child support laws; computerized state-wide collections to speed up payments; and tough new penalties, such as drivers' license revocation. At the President's urging, Congress and the NGA have included all of the Administration's provisions for child support enforcement in their welfare reform proposals. The President calls again on Congress to send him a clean bipartisan welfare bill that requires work, promotes parental responsibility, and protects children.

NEW HIRE PROGRAM TO TRACK PARENTS ACROSS STATE LINES

New Hire Reporting Programs

Twenty-five states now have new hire reporting programs that require or encourage employers to report new hires to a state agency. That information is then cross-matched by computer against lists of parents in the state who owe child support. When a match is found, the wages of that delinquent parent can then be withheld or other appropriate action, such as a paternity proceeding, can be taken. These programs have been called the single biggest innovation in child support enforcement in the past decade and have significantly increased collections in the states that have adopted them: Alaska, Arizona, California, Connecticut, Florida, Georgia, Hawaii, Iowa, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, New York, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, and West Virginia. Today, the President is challenging the remaining 25 states to adopt similar new hire programs.

A New Pilot Program

While these programs can help to locate non-paying parents within a state, they cannot find those who live and work in another state. Approximately 30 percent of all child support cases involve parents who have moved across state lines. Today, the President is announcing a new pilot program that will help track those parents who cross state lines to avoid their child support obligations.

Under the new program, the twenty-five states that have new hire reporting programs can send that information to the Federal Parent Locator Service (FPLS), an existing program that is run by the Department of Health and Human Services' Office of Child Support Enforcement (OCSE). That data will then be matched by computer against lists of delinquent parents sent to OCSE from all the states. When a match is found, the information on the delinquent parent will be sent back to the state so that the state can issue a wage withholding order and send it to the employer.

The Need for National Legislation

At the urging of the President, all the major national welfare bills now pending in Congress include a comprehensive national computer system for tracking parents across state lines. This system would have the capacity to match data every two days, and all states would be required to submit data on new hires and child support cases for computer matching. **If enacted, this new system would increase child support collections by \$6.4 billion and reduce Federal welfare payments by \$1.1 billion over 10 years.** The program announced today will provide states with valuable interim assistance in dealing with their interstate caseloads. To do more requires Congressional legislation.

Under his welfare reform plan, the President has proposed five measures to increase child support collections by an additional \$24 billion and reduce federal welfare costs by \$4 billion over the next 10 years: the national new hire reporting system; streamlined paternity establishment and stricter cooperation requirements; uniform interstate child support laws; computerized state-wide collections to speed up payments; and tough new penalties, such as drivers' license revocation. The President calls on Congress to enact the full range of child support enforcement measures in bipartisan welfare reform legislation.

NEW HIRE REPORTING PROGRAMS SHOW SUCCESS

Twenty-five states currently have new hire programs in place. New hire programs enable states to locate delinquent parents very quickly through the receipt of employment information. These programs have led to striking improvements in locating parents who owe support and to dramatic increases in collections. The following are examples of state programs that are operating across the country:

Florida started its new hire program in January, 1995. In 1995, Florida's new hire reporting program resulted in over 8,000 matches for outstanding child support cases; the annual amount of support owed under these cases is \$15.2 million. An additional 50,000 matches were made for other child support-related activities, such as paternity establishment.

Iowa implemented its new hire program in January, 1994. The state estimates that it has added \$5 million to its collections for 1995 as a result of new hire reporting.

Massachusetts began its program in March, 1993. Since March, 1993, the state has matched new hire information with 137,329 non-paying parents. The state estimates that in 1995, new hire information yielded \$15.4 million in increased child support, saving an estimated \$21.6 million from welfare case closures.

Missouri began its new hire program in August, 1994. Missouri estimates that the program collected \$12 million in 1995. Over 10 percent of the 721,000 new hires reported in 1995 owed child support or were wanted in paternity establishment cases.

New York implemented its new hire program in April, 1996. Already, the state has processed 404,000 new hire reports (10,000-12,000 a day) with about a 7 percent match rate. New York estimates that it will collect \$14-\$15 million annually as a result of the program.

Virginia implemented its program in July, 1993. As of December 1995, the state had matched almost 200,000 child support cases through its new hire program and estimates that total collections from these cases are in excess of \$20 million. Of this, \$7.2 million was used for welfare payment savings. In fact, the state estimates that total savings to the AFDC, Medicaid and Food Stamp programs from the new hire program equal over \$1.2 million in monthly benefits.

Washington implemented its new hire program on July 1, 1990. New hire reporting is documented as the state's most cost effective child support enforcement tool. For every dollar the state spends on its new hire program, it gains approximately \$20 in child support collections. Washington collected \$7.8 million in the first 18 months of its program, half of which was used to decrease welfare payments and save taxpayers money. The state has reduced the time required to receive employment information from 178 days to 43 days. Employers may report new hire information in a variety of ways -- computer diskettes, tapes, or by faxing reports to a special 800 toll-free line.

PATERNITY ESTABLISHMENT

Today, President Clinton took executive action to strengthen the child support enforcement system and promote parental responsibility by toughening paternity establishment requirements for women who apply for welfare. President Clinton is directing the Department of Health and Human Services to issue new regulations which require all mothers who apply for welfare to cooperate with paternity establishment prior to receiving benefits. He is also directing the Department to clarify and strengthen the definition of cooperation. These measures are designed to build on prior actions by the Administration that have already helped to increase paternity establishment by over 40 percent and child support collections by nearly 40 percent since 1992.

Paternity Establishment Under Current Law Under current law, mothers are required to cooperate in efforts to establish their children's paternity as a condition of welfare receipt. However, efforts to determine cooperation and establish paternity are not usually made until months after a mother has begun receiving benefits. In addition, cooperation standards are vague and poorly enforced. As a result, paternity is often not established, child support is not paid, and taxpayers pick up the tab. In fact, paternity is currently established in only 40 percent of all welfare cases.

Requiring Mothers to Cooperate With Paternity Establishment Efforts Today, the President ordered the Department of Health and Human Services to issue new regulations which require all mothers to cooperate with paternity establishment prior to the receipt of welfare (subject to appropriate exceptions for mothers with "good cause" for not cooperating, such as being in danger of domestic violence). Current regulations allow applicants and recipients to receive AFDC payments before the actual determination of cooperation is made. Under our proposed regulation, the determination of cooperation will be made during the application process. If the mother is not cooperating, she will not be eligible for assistance and will not begin to receive benefits. In addition, AFDC applicants will be referred to the child support agency within two days of filing an application to speed up paternity establishment efforts.

Strengthening the Definition of Cooperation Under the current regulations, cooperation with paternity establishment generally means that a welfare recipient must show up for interviews and provide "relevant information in their possession" about their child's father. Evidence suggests that some mothers know more information about the father than they are currently providing to the welfare agency. Our new, stricter definition of cooperation requires that the mother provide both the name of the father and some other identifying information such as his address, place of employment, or social security number. In addition, we're also making it easier for states to move compliance assessment from their welfare agencies to their child support agencies.

Strengthening Our Commitment to Paternity Establishment The Clinton Administration has made paternity establishment a top priority. Already, the Clinton Administration has proposed, and Congress has adopted, a requirement for states to establish hospital-based paternity programs as a proactive way to establish paternities early in a child's life. These programs are just now being implemented, but early data from 31 states indicates that more than 200,000 paternities were established through the in-hospital paternity acknowledgement program in 1995. The total number of paternities established has increased by over 40 percent since 1992. Still, more needs to be done. That is why the President has ordered the Department of Health and Human Services to issue these new regulations to increase paternity establishment, and urged Congress to pass a comprehensive welfare reform bill that demands parental responsibility and protects children.

STATES WITH NEW PATERNITY ESTABLISHMENT INITIATIVES

WAIVERS

Thirteen states have been granted waivers by the Clinton Administration to enable them to create new paternity establishment initiatives. The following are examples of these initiatives:

Connecticut

Connecticut's "Reach for Jobs First" program provides escalating tougher sanctions than under current law for a failure to cooperate, without good cause, with paternity establishment efforts.

Delaware

Under Delaware's program, the Division of Child Support Enforcement, rather than the state welfare agency, determines whether or not a mother has cooperated with paternity establishment efforts and the state will develop new cooperation criteria.

Ohio

To encourage paternity establishment for all children, Ohio's "A State of Opportunity" program gives a one-time cash bonus of \$150 to AFDC families when paternity is established for a child under the age of 18.

Oregon

A disregard of income is granted for a special one-time payment made to an applicant or recipient who makes a material contribution in establishing the paternity of a child born out of wedlock or in obtaining child support.

IN-HOSPITAL PATERNITY ESTABLISHMENT

In 1993, Congress passed a law proposed by President Clinton that required states to establish hospital-based paternity establishment programs, as a pro-active way to establish paternity in a child's life. Already, early data from just 31 states reported more than 200,000 paternities were established through the in-hospital paternity establishment programs in 1995. The following are a few examples of successful programs:

Colorado

Colorado has enhanced its in-hospital voluntary paternity establishment program with a grant from HHS's Child Support Improvement Demonstration Project. The program's simplified application procedures, elimination of fees and waiting periods, and streamlined administrative process has resulted in dramatic increases in voluntary acknowledgements -- 150 percent.

Massachusetts

Massachusetts has forged a strong partnership between its state agencies for revenue and public health to design its in-hospital voluntary paternity establishment program. With intensive training, technical assistance and a wide public awareness campaign, the program has helped to more than double the number of paternities established.

Vermont

Vermont has reorganized its child support program and established a Family Court dedicated solely to child support cases. Combined with the in-hospital voluntary paternity establishment program, Vermont has increased its paternity establishment rate by 85 percent.

More Than Half the Nation Enacting Welfare Reform Under the Clinton Administration

The Clinton Administration has approved 63 welfare reform demonstrations in 40 states -- more than all previous Administrations combined. In an average month, the demonstrations cover over 10 million people -- approximately 75 percent of all recipients. All of the waivers which we have granted build on many of the central principles of President Clinton's vision for welfare reform, including:

PRINCIPLE	DESCRIPTION	STATES APPROVED
Work	<i>Thirty-Two states</i> are helping people move from welfare to work, from receiving welfare checks to earning paychecks, by increasing education and training opportunities and creating public/private sector partnerships.	32 - Arizona, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Maryland, Massachusetts, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming
Time Limited Cash Assistance	<i>Twenty-Seven states</i> are making welfare a transitional support system, rather than a way of life, by providing opportunity, but demanding responsibility in return.	27 - Arizona, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas, Vermont, Washington, Wisconsin
Child Support Enforcement	<i>Twenty-Three states</i> are strengthening child support enforcement and sending a clear message that both parents must be responsible for their children.	23 - Arizona, Connecticut, Delaware, Georgia, Indiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oregon, South Carolina, Texas, Vermont, Virginia, Wisconsin
Making Work Pay	<i>Thirty-Seven states</i> are providing incentives and encouraging families to work not stay on welfare, so they can achieve and maintain economic self-sufficiency.	37 - Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Maryland, Massachusetts, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming
Parental Responsibility	<i>Thirty-Three states</i> are promoting parental responsibility by encouraging education, or limiting benefits for families who have another child while on AFDC.	33 - Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Vermont, Virginia, Wisconsin, Wyoming

THE CLINTON RECORD ON CHILD SUPPORT ENFORCEMENT

Record Child Support Collections

In 1995, the federal-state partnership collected a record \$11 billion from non-custodial parents, an increase of \$3 billion, or nearly 40 percent, since 1992.

Seizing Tax Refunds

In February 1996, HHS announced the collection of a record \$828 million in delinquent child support for 1994 by intercepting income tax refunds of non-paying parents. Benefiting over one million families, the amount was nearly 18 percent more than collections from income tax refunds for 1993.

Prosecuting Non-Payers

Billions of dollars more in support is owed to children whose parents have crossed state lines and failed to pay. The Justice Department is aggressively investigating and prosecuting cases where parents cross state lines to avoid payment under the Child Support Recovery Act.

Federal Employees

On February 27, 1995, President Clinton signed an executive order to make the federal government a model employer in the area of child support enforcement. It requires all federal agencies, including the Armed Forces, to cooperate fully in efforts to establish paternity, and to ensure that children of federal employees are provided the support to which they are legally entitled.

Improving Paternity Establishment

The Clinton Administration has made paternity establishment a top priority. Since 1992, paternity establishment has increased by over 40 percent. Preliminary data for paternity establishment show an estimated 735,000 in FY 1995, up from 515,857 in FY 1992.

Already, the Clinton Administration has proposed, and Congress has adopted, a requirement that states establish hospital-based paternity programs as a proactive way to establish paternities early in a child's life. These programs are just now being implemented, but data from thirty-one states indicates that more than 200,000 paternities were established through the program in 1995.

Ending Welfare As We Know It

President Clinton has proposed five measures to increase child support collections by an additional \$24 billion and reduce federal welfare costs by \$4 billion over the next 10 years: streamlined paternity establishment and stricter cooperation requirements; a national new hire reporting system; uniform interstate child support laws; computerized state-wide collections to speed up payments; and tough new penalties, such as drivers' license revocation. At the President's urging, Congress and the NGA have included all of the Administration's provisions for child support enforcement in their welfare reform bills.

Since taking office, the Clinton Administration has approved 63 welfare reform demonstrations in 40 states -- more all previous administrations combined. In an average month, these welfare demonstrations cover more than 10 million people -- approximately 75 percent of all AFDC recipients. Through these waivers, twenty-three states are pursuing innovative child support enforcement initiatives.

QUESTION:

Why are you issuing these new regulations?

ANSWER:

From the start, the Clinton Administration has made child support a top priority. Parents who bring children into the world must take responsibility for supporting them. Unless paternity is established, the government pays the cost of raising the child that the father should be bearing. Paternity establishment is a necessary first step in the child support enforcement process in cases where a child is born out of wedlock. The sooner paternity is established, the sooner the child may have access to financial and other types of support from the father.

QUESTION:

Hasn't Illinois submitted a waiver request to strengthen paternity establishment? Why haven't you granted it, if you're taking these actions?

ANSWER:

Illinois has submitted a waiver request that is slightly different than the actions we're taking today. The state has asked to require actual paternity establishment as a condition of AFDC and Medicaid eligibility for both the mother and child. Our new regulation bases eligibility on cooperation with paternity establishment, and, like current law, would deny AFDC and Medicaid eligibility to the mother only. The Department of Health and Human Services has been working with the state -- we should be able to approve a welfare waiver for Illinois soon.

QUESTION:

The proposed regulation requires applicants to be referred to the child support agency within two days of the filing of an application. Given the workload that many intake workers have to cope with, isn't this two day requirement unrealistic?

ANSWER:

No. During the AFDC application process, information relating to paternity is routinely collected. This regulation simply requires that the basic information about the absent parent, which should already be collected during the application interview, be transmitted to the child support caseworker within two days.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6-17 ACTION/CONCURRENCE/COMMENT DUE BY: 6-18 8AM

SUBJECT: Child Support Directives - DRAFT *WR Exec Action*

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QUINN	<input type="checkbox"/>	<input type="checkbox"/>
LIEBERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input type="checkbox"/>	<input type="checkbox"/>
RIVLIN	<input type="checkbox"/>	<input type="checkbox"/>	REED <i>216</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAER	<input type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input type="checkbox"/>	<input type="checkbox"/>
CURRY	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STIGLITZ	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	STREETT	<input type="checkbox"/>	<input type="checkbox"/>
HALE	<input type="checkbox"/>	<input type="checkbox"/>	TYSON	<input type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input type="checkbox"/>	<input type="checkbox"/>	WALLEY	<input type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input type="checkbox"/>	<input type="checkbox"/>	WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>
HILLEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>CLERK</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KLAIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
LAKE	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

RESPONSE:

Staff Secretary

Memorandum of June 18, 1996

CHILD SUPPORT INITIATIVE

Memorandum for the Secretary of Health and Human Services

I hereby direct you to implement the plan I am announcing today to strengthen the child support system and promote parental responsibility.

I direct you to exercise your legal authority to take the following steps to implement that plan:

- 1) issue new regulations relating to paternity establishment that:
 - (a) clarify the definition, under the Aid to Families with Dependent Children (AFDC) program, of "cooperation" with paternity establishment by requiring that a mother provide both the name of the father and other identifying information deemed appropriate by the state (except when there is good cause, such as being in danger of domestic violence, for not cooperating);
 - (b) require all applicants for assistance under the AFDC program to cooperate with paternity establishment efforts prior to the receipt of assistance; and
 - (c) require that applicants for assistance under the AFDC program be referred to the state child support agency within two days of application, so that the agency can initiate a legal paternity action; and
- 2) implement a pilot program matching new-hire data collected by participating States with Federal Parent Locator Service (FPLS) data in order to better track parents owing child support obligations who have taken a job in another state.

You have advised me that you have legal authority to take these actions under titles IV-A and IV-D and section 1102 of the Social Security Act.

The plan I have outlined will help strengthen child support operations by toughening the paternity establishment requirements for applicants for welfare and by enabling states to locate, and withhold wages from, child support obligors who have taken a job in another state. Its prompt implementation is integral to achieving our goal of promoting the American value of parental responsibility.

[signature]

THE WHITE HOUSE
Washington, June 18, 1996

Memorandum of June 18, 1996

CHILD SUPPORT INITIATIVE

Memorandum for the Secretary of Labor

I hereby direct you to assist in the implementation of the plan I am announcing today to strengthen the child support system and promote parental responsibility.

I direct you to exercise your legal authority in a manner that will assist the implementation of the plan by encouraging state employment security agencies that collect new-hire information for use in child support enforcement to report such information to the Department of Health and Human Service's (DHHS) pilot program for matching new-hire data with Federal Parent Locator Service (FPLS) data in order to better track parents owing child support who have taken a job in another state.

You have advised me that you have legal authority to take this action under [to be supplied by DOL].

The plan I have outlined will help strengthen child support operations by toughening the paternity establishment requirements for applicants for welfare and by enabling states to locate, and withhold wages from, child support obligors who have taken a job in another state. Its prompt implementation is integral to achieving our goal of promoting the American value of parental responsibility.

[signature]

THE WHITE HOUSE
Washington, June 18, 1996

WR-Exec Action

PRESIDENT WILLIAM J. CLINTON
AMERICAN NURSES ASSOCIATION
WASHINGTON, DC
JUNE 18, 1996

[Acknowledgments: Ginna Trotter Betts -- she is leaving after four years as national president of ANA. She was a leading voice for health care reform.]

I am honored to join you in this 100th anniversary celebration. Today, I ask all Americans to join me in saluting you for a century of service and leadership. America has the finest health care system in the world. And nurses are the heart and soul of that system.

I know the hard work and sacrifice that goes into being a good nurse. As most of you know, for more than 30 years, my mother worked as a nurse anesthetist. I want to thank you again for honoring her memory in 1994 with a special award in her name. I have vivid memories of her getting up in the middle of the night to be at work by 7 a.m. She was serious about the life and death nature of her work. But she understood that healing is about more than medicine and technology. It is also about promoting good health and prevention. And it is about caring. That is what all of you do everyday.

What I learned from my mother and what America is learning from you are the basic values that make us strong. We know that the mission of this country must be to offer every American an opportunity and demand that every American take responsibility -- that is the basic bargain of our democracy. And that is how we will create an America that is rooted in strong communities and strong families.

Today, I want to talk with you about how we can work together to build strong families and to guarantee that every child in this country has both quality health care and the support of responsible parents -- both mothers and fathers.

For the past three-and-a-half years, we have worked hard to give people opportunity, by giving them the tools they need to build strong families.

Working with you, we fought for the Family and Medical Leave Act to say that if you take a little time off to take care of a sick child you will not lose your job. There are some in Washington who to this day oppose Family and Medical Leave. But I think it was the right thing to do, and I am proud to have signed it into law.

Now, this Republican Congress seems to have forgotten the first rule of health care: "First, do no harm."

I am proud that, working with you, we fought to preserve Medicaid. For three decades, we have guaranteed that poor children, pregnant women, people with disabilities and older Americans will not be denied health care simply because they can't afford it. That

is the right thing to do. The Republicans in Congress are actually insisting that we repeal this guarantee. I have said that this would amount to child neglect for a whole generation. That is why I vetoed this plan last year when the Republican Congress sent it to me. And let me assure you, if they send it to me again, I will veto it again.

Working with you, we have fought to balance the budget in a way that protects Medicare and honors our duty to our parents. The Republican proposal for Medicare would undermine the hiring and training of nurses, and would close down hospital wings in cities and rural communities across America. We must reform Medicare; my plan will secure the Trust Fund for a decade. But we do not need to devastate Medicare to balance the budget.

And while we are doing no harm, why don't we do some good? We are working with you to improve access to health care for as many as 25 million Americans by fighting for the Kassebaum-Kennedy bill. No worker in this country should have to worry that he or she will lose their health care if they lose their job or change jobs. And no one should be denied care simply because they have a pre-existing condition. I challenge Congress to work with us to pass this important legislation now.

And we should do another thing to help working families. We should raise the minimum wage now.

We are doing all this to give our people opportunity. But we must demand responsibility in return. You and I know that, where children are concerned, the most important building block of strong families is not government. It is parents -- mothers and fathers who love their children and take active responsibility for their care.

Parental responsibility has been the driving principle behind our efforts to end welfare as we know it. I want reform because our present system perpetuates a cycle of dependency and irresponsible behavior. Nobody wants welfare reform more than the people who are trapped in the current system. I want a system that promotes work, strengthens families, and encourages independence. That is why I have proposed time limits, work requirements, and child care and health care to help people move from welfare to work. That is real welfare reform.

This Congress sent me a bill that was tough on kids and easy on work, and I sent it back and told them to do better. My Administration will continue to reform welfare, with or without help from Congress.

We have worked to cut red tape for 40 states by approving 63 welfare reform experiments at the local level. Just today, we approved a waiver for a welfare reform effort in New Hampshire, which combines strong work requirements with incentives to move people from welfare to work. For 3 out of 4 welfare recipients, the rules have changed.

I am proud that today, 1.3 million fewer people are on welfare than when I took

office. The food stamp rolls are down, the poverty rate is down, teen pregnancy rates are down, while work and training among welfare recipients are up and child support collections have reached a record high.

But we must do more to insist on parental responsibility. Our welfare reform proposals are about giving people opportunity and demanding responsibility in return. And I reject the idea that only the mother has to act responsibly. Every child has both a mother and a father. And for too long, we have let men off the hook. We must insist that they do their part to support the children they helped bring into this world.

How many times have you seen a frightened young girl give birth to a baby alone in the hospital, with the father of the child no where to be found? How many times has the hospital and the government been left to pay the costs, not only for the delivery but for the continuing care of that child? That is wrong. It takes two people to bring a child into this world, and it takes two people to raise that child.

That is why we have made it our mission to make sure that parents take responsibility by supporting their children. Last year, I signed an executive order that cracked down on federal employees who owe child support. And 3 years ago I signed a law requiring states to establish hospital-based programs to determine the father of a newborn child. Based on our first reports, more than 200,000 fathers have been identified through these voluntary hospital paternity identification programs last year. That's 200,000 children whose fathers can't just up and walk away without a trace. And child support collections and paternity establishment are both up 40% since 1992.

But we have to do more. That is why earlier today, I took executive action to strengthen child support enforcement and promote parental responsibility.

First, we are putting in place a new national program to help states track parents who owe child support across state lines. Today, too many men have figured out that the way to weasel out of paying child support is to move from job to job and state to state. This must stop. Currently, twenty-five states require that when a person is hired for a job, a check is made to see if he owes child support. Under this new program, we will check that information against our national database to catch deadbeats who have crossed state lines. And I challenge every state to give us this information so that deadbeat dads have nowhere to hide.

Second, today I directed the Department of Health and Human Services to require all mothers who apply for welfare to provide the name of the father and other identifying information at the time they apply for assistance, before they can get welfare benefits. There will be "good cause" exceptions, such as to protect women from the dangers of violence against women. And we will require the welfare office to contact child support authorities within two days to begin legal proceedings to hold the father responsible for support.

Our system ought to say to mothers: If you want our help, help us identify and locate the father so we can hold him accountable. And it should say to fathers -- we are not going to let you walk away from your children and stick the taxpayers with the tab. The government did not bring that child into the world -- you did. My actions today help make responsibility a way of life, not an option.

If we do all these things -- if we offer opportunity by providing health care and family leave . . . if we demand responsibility of fathers and mothers who bring children into this world -- then we can restore our social fabric and protect the American family.

You are on the front lines, every day, caring for our children and our parents. Our nation owes it to you to give you all the help you need. For all the professionalism and compassion you pour into every hour of every day, we thank you.

Thank you and God bless you all.

EXECUTIVE OFFICE OF THE PRESIDENT

Office of Management and Budget
Program Associate Director for Human Resources
260 Old Executive Office Building
Washington, DC 20503

Fax #: 395-5730

Phone #: 395-4844

FACSIMILE COVER SHEET

WR-Exec Action

DATE:

May 2, 1996

TO:

Bruce

Fax Number: _____

Voice Number: _____

Number of pages (including cover sheet):

2

FROM:

Ken

REMARKS:

F Y I

NEWS

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of Communications News Room 480-A
Washington, DC 20250-1300
Internet: News@usda.gov Phone: 202-720-8035
World Wide Web Home Page: http://www.usda.gov

Release No. 0222.26

Tom Amontres (202) 720-4623
Alicia Barbara (703) 305-2039

FOOD STAMP RULE TO ENFORCE WORK REQUIREMENTS

WASHINGTON, April 30, 1996--The U.S. Department of Agriculture published new regulations today that impose tougher sanctions on people who refuse to work or who break the rules of federal, state, and local assistance programs.

President Clinton highlighted the USDA rule change in a speech to the National Governors' Association last summer. "Right now, when a state reduces someone's welfare check for failing to hold up their end of the bargain, the person's food stamp benefit goes up," Clinton said. "We're going to change that. If your welfare check goes down for refusal to work, your food stamp payment won't go up any more."

Agriculture Secretary Dan Glickman said the regulations issued today "will end a system where one government agency cautions people and another increases their benefits."

"This change is consistent with the Clinton Administration's welfare reform principle that the Food Stamp Program should reinforce the rules of other public assistance programs," Glickman said. "It helps move people from welfare to work, and puts an end to a system that rewards individuals on Food Stamps and other programs for not participating in the jobs programs and other requirements."

"We have long been committed to real and effective welfare reform that promotes work and responsibility," Glickman said. "This rule gives states the tools they need to impose tougher sanctions on people who refuse to work."

Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas explained that any loss of income can lead to an increase in food stamp benefits, because benefits are tied to household income.

"The current rules are unacceptable and need to be changed to protect honest Food Stamp recipients, taxpayers, and the integrity of the program," said Haas. "We cannot tolerate people cheating the system. When a welfare recipient refuses to work and loses welfare benefits, there is absolutely no reason why their Food Stamp benefits should increase."

The final rule is published in the April 30 Federal Register and will become effective in 30 days.

To Bruce Reed -
- FYI -
- Ann A

Mr. Clinton Toughens Welfare Rules

President Clinton's recent executive order on welfare delivers a useful message to the states. Under the 1988 Family Support Act, states are supposed to withdraw welfare benefits from teenage mothers who drop out of school. But states have routinely failed to enforce the school-attendance requirement because they did not want to pay for the mothers' child-care needs, as the law requires. Under the new executive order, Mr. Clinton has told the states they will now be held accountable for enforcing the law and for providing the child care that goes with it.

The executive order makes political sense because it should take some of the sting out of charges by the Republicans that Mr. Clinton is opposed to constructive welfare reform. The order also makes good policy sense because it will put more mothers on their way to finding private-sector jobs.

Under the order, states will no longer be allowed to exempt large numbers of teen-age mothers from the need to sign a contract with the state obligating them to finish school or suffer benefit cuts. Meanwhile, the order allows states to provide bonuses to mothers who stay in school without having to gain approval from Washington.

The combination of rewards and sanctions can work for some mothers. Ohio has a program that pays teen-age mothers who stay in school \$124 more per month than those who drop out. According to an interim study by the Manpower Demonstration

Research Corporation of New York, the program raised graduation rates by 20 percent and employment by 40 percent among mothers who were already in school. As welfare reforms go, these impacts are huge.

The Ohio program did not, however, persuade mothers who had already dropped out of school to go back, producing no significant increase in graduation rates or employment in this group — even though these mothers suffered cuts in the money they could spend on their children.

Mr. Clinton is trying to remedy a major failure of the 1988 act, which was well designed to encourage welfare parents to work. Congress did not put much money behind the law, and cash-starved states ran around its work provisions. Mr. Clinton's executive order removes wiggle room for the states. They will now be required to tell teen-age mothers to go back to school and must provide a share (the Federal Government provides the balance) of the child-care money these mothers need.

Mr. Clinton should have issued the order years earlier. Had he done so, he might have driven home the lesson that neither he nor the Republicans want to admit. The 1988 act is a sound welfare law that has produced few results because Washington and the states have been unwilling to spend enough money to make it work. Unable to push his own welfare bill through Congress, the President has found a good second answer.

APR 13 1996

The New York Times

① WP - News Clippings
② WP - Exec Action

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The New York Times

① WR - News Clippings
② WR - Exec Action



FACSIMILE TRANSMISSION

ADMINISTRATION FOR CHILDREN AND FAMILIES
 OFFICE OF THE DEPUTY ASSISTANT SECRETARY
 FOR POLICY AND EXTERNAL AFFAIRS
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DATE: 5/16/96
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 Number of Pages (excluding cover): 2

WR-Exec Action

FROM:

Name: Ann Rosewater
 Deputy Assistant Secretary
 for Policy and External Affairs

B-C
 * Supposed immigr
 * Fix Medicaid

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MESSAGE:

~~Background Info for 3 PM Mtg~~
~~only~~

List of Possible Child Support Actions

1. Begin Building A New/Hire Directory

- a. Urge voluntary submittal to FPLS of new hire data from 25 States which require new hire reporting and challenge remaining States to implement New Hire Reporting programs.
- b. Match this data with child support cases maintained by OCSE as part of FPLS and the tax offset program and send hits to States. (SSA might also be interested in using the data for fraud detection purposes.)
- c. About the time this match could be done, we would also be in a position to match our Federal Income tax offset cases with Federal employee databases, as envisioned under the President's EO. Results could be publicized along with the New Hire hits.

2. Strengthen Federal Role in CSE

- a. Initiate a strong law enforcement initiative led by Law Enforcement Coordinator in the Federal OCSE.
- b. Post State 10 Most Wanted Lists to be posted in U.S. Post Offices and on the Federal OCSE INTERNET Home page.

3. Strengthen Paternity Establishment

- a. Issue regulations that require applicants to cooperate with child support by supplying necessary information to receive benefits. The regulations would clarify the types of actions and/or documents which may be required of applicants and recipients to prove cooperation. States would no longer be required to accept a mere attestation that information is not available.

4. Responsible Fatherhood (meeting to develop more ideas)

- a. Encourage parents with marital problems to seek assistance in developing joint parenting plans and mediation as part of the process of dissolving their marriage.

- b. Once the marriage is dissolved, promote responsible fatherhood by requiring that schools share report cards with both parents, upon request of noncustodial parents.
- c. Encourage CSE offices to stay open during traditional non-work hours so that working parents can easily avail themselves of IV-D services.
- d. Encourage demonstrations, and grant necessary waivers and funding for unmatchable costs of providing services to deal with problems that prevent payment of child support (Parent's Fair Share concepts, job training and referral, parenting classes, peer support)