

WR - House Ways
+ Means
Subcommittee

**Total State Losses Between FY 1996 and FY2000
Under Titles I & II of the Shaw Welfare Proposal**

(dollars in millions)

State	Estimates Based on National Growth Rates		
	Total 5 Year State Losses Under Title I	Total 5 Year State Losses Under Title II	Total 5 Year State Losses
Alabama	(\$108)	(\$26)	(\$134)
Alaska	(\$61)	(\$14)	(\$75)
Arizona	(\$262)	(\$53)	(\$316)
Arkansas	(\$28)	(\$32)	(\$60)
California	(\$2,241)	(\$923)	(\$3,163)
Colorado	(\$114)	(\$46)	(\$161)
Connecticut	(\$144)	(\$62)	(\$207)
Delaware	(\$24)	(\$5)	(\$29)
District of Columbia	(\$154)	(\$26)	(\$180)
Florida	(\$585)	(\$129)	(\$714)
Georgia	(\$199)	(\$51)	(\$250)
Guam	(\$24)	\$0	(\$24)
Hawaii	(\$127)	(\$12)	(\$139)
Idaho	(\$44)	(\$7)	(\$51)
Illinois	(\$268)	(\$264)	(\$532)
Indiana	(\$299)	(\$117)	(\$417)
Iowa	(\$73)	(\$32)	(\$105)
Kansas	(\$119)	(\$39)	(\$158)
Kentucky	\$2	(\$66)	(\$64)
Louisiana	(\$7)	(\$71)	(\$78)
Maine	\$11	(\$22)	(\$12)
Maryland	(\$160)	(\$95)	(\$255)
Massachusetts	(\$255)	(\$141)	(\$396)
Michigan	(\$95)	(\$218)	(\$313)
Minnesota	(\$121)	(\$65)	(\$187)
Mississippi	\$1	(\$16)	(\$16)
Missouri	(\$148)	(\$65)	(\$213)
Montana	(\$32)	(\$12)	(\$43)

**Total State Losses Between FY 1996 and FY2000
Under Titles I & II of the Shaw Welfare Proposal**

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State	Estimates Based on National Growth Rates		
	Total 5 Year State Losses Under Title I	Total 5 Year State Losses Under Title II	Total 5 Year State Losses
Nebraska	(\$7)	(\$22)	(\$28)
Nevada	(\$52)	(\$7)	(\$59)
New Hampshire	(\$61)	(\$15)	(\$75)
New Jersey	(\$263)	(\$56)	(\$319)
New Mexico	(\$200)	(\$16)	(\$217)
New York	(\$3,690)	(\$887)	(\$4,577)
North Carolina	(\$195)	(\$51)	(\$245)
North Dakota	(\$8)	(\$11)	(\$18)
Ohio	(\$491)	(\$219)	(\$710)
Oklahoma	(\$33)	(\$27)	(\$60)
Oregon	(\$137)	(\$44)	(\$181)
Pennsylvania	(\$176)	(\$284)	(\$460)
Puerto Rico	(\$101)	\$0	(\$101)
Rhode Island	(\$84)	(\$19)	(\$103)
South Carolina	(\$24)	(\$26)	(\$50)
South Dakota	(\$7)	(\$7)	(\$14)
Tennessee	(\$86)	(\$39)	(\$126)
Texas	(\$488)	(\$171)	(\$659)
Utah	(\$42)	(\$16)	(\$58)
Vermont	(\$16)	(\$15)	(\$31)
Virgin Islands	(\$5)	\$0	(\$5)
Virginia	(\$140)	(\$36)	(\$176)
Washington	(\$291)	(\$42)	(\$333)
West Virginia	(\$68)	(\$14)	(\$82)
Wisconsin	(\$83)	(\$82)	(\$166)
Wyoming	(\$1)	(\$3)	(\$3)
Grants not to states		(\$843)	(\$843)
Totals	(\$12,426)	(\$5,561)	(\$17,987)

Notes:

** Block Grant Allocation for Title I is based on the percentage distribution to states as listed in the Mark-up document of Feb. 13, 1995, 10:13 am.

** Savings from child care block grant are not included.

** Savings from Title II do not include savings from territories.

** This table does not include impacts of any rainy day funding.

** Estimates based on national growth rates assume that state AFDC spending will increase at the same rate as national AFDC spending.

** All estimates of future growth based on AFDC Actual Expenditures in FY94.

** Numbers in columns and rows may not add perfectly due to rounding.

STATE IMPACTS OF SHAW PROPOSAL TO BLOCK GRANT TITLES 1 AND 2

The attached table illustrates the five year changes in funding to each state under Titles 1 and 2 of the House Republican's Proposed Block Grant. The first column shows the five year reduction of funds to the states under Title 1. Title 1 repeals AFDC and JOBS and replaces them with a capped block grant to the states which is set at the 1994 level of federal outlays for AFDC benefits for basics and unemployed parents, JOBS, Emergency Assistance and related administration. Over the five year period, FY 1996 through FY 2000, federal outlays to states under Title 1 will be \$12.4 billion less than current law projections as estimated given in the President's FY 1996 budget submission.

The second column contains the five year reduction of funds to states under Title 2. Title 2 repeals the current open ended entitlement program for IV-E Foster Care and Adoption Assistance Program, the IV-B Child Welfare Services program and the Family Preservation and Support program, along with a host of discretionary programs related to child abuse and neglect and replaced with a capped block grant to the states. Over the five year period, federal outlays to states would be reduced by \$5.6 billion under the capped block grant program as proposed.

The third column displays the combined impacts of Titles 1 and 2. In total, the block grant approach, as outlined in the markup materials supplied by the Subcommittee, would result in a total five year reduction of \$18 billion.

Methodology

Title I:

The state share of the block grant was computed by multiplying each state's percentage of the total block grant (as stated in the February 13 Mark-up document) by the amount of total funding available (\$15.355 billion).

To calculate the projected losses under Title I of the Shaw welfare proposal, the fiscal year 1994 expenditures for AFDC benefits, administration, JOBS, and Emergency Assistance were first trended to FY 2000. This was done by growing each state's expenditures for these programs by the projected national growth rate in budget outlays. Five year costs were then computed by summing the total expenditures for each fiscal year from 1996 to 2000. Since expenditures are higher than budget outlays, the expenditure data were scaled to reflect budget outlays. Five year funding losses were determined by subtracting each state's projected five year expenditures under current law from what they would have received under the block grant during the same period.

Title II:

The state share of the child welfare block grant was computed by multiplying the total allocated for each fiscal year as specified in the markup document by each state's percentage of the national FY93 child welfare expenditures. The estimate of each state's five year change in federal revenue under the block grant proposal was calculated by multiplying the national five year total reduction in funding times the states proportion of FY93 child welfare expenditures.

**Total State Losses Between FY 1996 and FY2000
Under Titles I & II of the Shaw Welfare Proposal**

(dollars in millions)

State	Total 5 Year State Losses		
	Under Title I	Under Title II	5 Year State Losses
Alabama	(\$108)	(\$26)	(\$134)
Alaska	(\$61)	(\$14)	(\$75)
Arizona	(\$262)	(\$53)	(\$316)
Arkansas	(\$28)	(\$32)	(\$60)
California	(\$2,241)	(\$923)	(\$3,163)
Colorado	(\$114)	(\$46)	(\$161)
Connecticut	(\$144)	(\$62)	(\$207)
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Guam	(\$24)	\$0	(\$24)
Hawaii	(\$127)	(\$12)	(\$139)
Idaho	(\$44)	(\$7)	(\$51)
Illinois	(\$268)	(\$264)	(\$532)
Indiana	(\$299)	(\$117)	(\$417)
Iowa	(\$73)	(\$32)	(\$105)
Kansas	(\$119)	(\$39)	(\$158)
Kentucky	\$2	(\$66)	(\$64)
Louisiana	(\$7)	(\$71)	(\$78)
Maine	\$11	(\$22)	(\$12)
Maryland	(\$160)	(\$95)	(\$255)
Massachusetts	(\$255)	(\$141)	(\$396)
Michigan	(\$95)	(\$218)	(\$313)
Minnesota	(\$121)	(\$65)	(\$187)
Mississippi	\$1	(\$16)	(\$16)
Missouri	(\$148)	(\$65)	(\$213)
Montana	(\$32)	(\$12)	(\$43)

**Total State Losses Between FY 1996 and FY2000
Under Titles I & II of the Shaw Welfare Proposal**

(dollars in millions)

State	Total 5 Year	Total 5 Year	Total
	State Losses Under Title I	State Losses Under Title II	5 Year State Losses
Nebraska	(\$7)	(\$22)	(\$28)
Nevada	(\$52)	(\$7)	(\$59)
New Hampshire	(\$61)	(\$15)	(\$75)
New Jersey	(\$263)	(\$56)	(\$319)
New Mexico	(\$200)	(\$16)	(\$217)
New York	(\$3,690)	(\$887)	(\$4,577)
North Carolina	(\$195)	(\$51)	(\$245)
North Dakota	(\$8)	(\$11)	(\$18)
Ohio	(\$491)	(\$219)	(\$710)
Oklahoma	(\$33)	(\$27)	(\$60)
Oregon	(\$137)	(\$44)	(\$181)
Pennsylvania	(\$176)	(\$284)	(\$460)
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Rhode Island	(\$84)	(\$19)	(\$103)
South Carolina	(\$24)	(\$26)	(\$50)
South Dakota	(\$7)	(\$7)	(\$14)
Tennessee	(\$86)	(\$39)	(\$126)
Texas	(\$458)	(\$171)	(\$659)
Utah	(\$42)	(\$16)	(\$58)
Vermont	(\$16)	(\$15)	(\$31)
Virgin Islands	(\$5)	\$0	(\$5)
Virginia	(\$140)	(\$36)	(\$176)
Washington	(\$291)	(\$42)	(\$333)
West Virginia	(\$68)	(\$14)	(\$82)
Wisconsin	(\$83)	(\$82)	(\$166)
Wyoming	(\$1)	(\$3)	(\$3)
Grants not to states		(\$843)	(\$843)
Totals	(\$12,426)	(\$3,581)	(\$17,987)

Notes:

** Block Grant Allocation for Title I is based on the percentage distribution to states as listed in the Mark-up document of Feb. 13, 1995, 10:13 am.

** Savings from child care block grant are not included.

** Savings from Title II do not include savings from territories.

** This table does not include impacts of any rainy day funding.

** Estimates based on national growth rates assume that state AFDC spending will increase at the same rate as national AFDC spending.

** All estimates of future growth based on AFDC Actual Expenditures in FY94.

** Numbers in columns and rows may not add perfectly due to rounding.

February 14, 1995

**The Effect by State of Freezing Food Stamp Program Funding
at the Average of 1991-1993 in Fiscal Year 1995
(Dollars in millions)**

State	Level of Food Assistance		Difference	
	1991 - 93 Average	Estimated FY 1995 Total	Total	Percent
Alabama	4485	4638	- 75	- 14
Alaska	47	58	- 11	- 19
Arizona	381	460	- 78	- 17
Arkansas	214	249	- 33	- 19
California	1,838	2,577	- 841	- 25
Colorado	223	265	- 42	- 18
Connecticut	140	175	- 35	- 20
Delaware	44	56	- 12	- 21
District of Columbia	78	85	- 22	- 22
Florida	1,230	1,647	- 317	- 20
Georgia	648	782	- 138	- 17
Guam	22	21	1	6
Hawaii	128	185	- 28	- 18
Idaho	57	67	- 11	- 18
Illinois	1,087	1,228	- 141	- 11
Indiana	381	478	- 98	- 20
Iowa	147	172	- 25	- 15
Kansas	197	185	- 28	- 17
Kentucky	441	487	- 58	- 11
Louisiana	577	782	- 85	- 11
Maine	108	131	- 23	- 17
Maryland	923	388	- 73	- 18
Massachusetts	327	385	- 88	- 15
Michigan	891	997	- 108	- 11
Minnesota	248	282	- 38	- 13
Mississippi	429	481	- 53	- 11
Missouri	480	556	- 87	- 17
Montana	57	65	- 8	- 13
Nebraska	81	95	- 15	- 15
Nevada	77	102	- 24	- 24
New Hampshire	45	54	- 9	- 17
New Jersey	472	572	- 100	- 18
New Mexico	188	228	- 42	- 18
New York	1,894	2,135	- 440	- 21
North Carolina	472	568	- 85	- 17
North Dakota	38	43	- 7	- 18

State	Level of Food Assistance		Difference	
	1991 - 93 Average	Estimated FY 1996 Total	Total	Percent
Ohio	1,128	1,280	-174	-13
Oklahoma	288	347	-62	-19
Oregon	298	279	-43	-15
Pennsylvania	978	1,162	-188	-16
Puerto Rico	1,002	1,143	-141	-12
Rhode Island	72	87	-15	-17
South Carolina	300	388	-88	-18
South Dakota	48	52	-7	-13
Tennessee	678	708	-131	-19
Texas	2,159	2,624	-466	-18
Utah	101	118	-17	-14
Vermont	39	47	-8	-17
Virginia	428	528	-101	-18
Virgin Islands	20	28	-8	-19
Washington	361	448	-84	-19
West Virginia	263	286	-44	-15
Wisconsin	245	278	-30	-11
Wyoming	28	32	-4	-12
Total	21,629	27,263	-4,634	-17

Notes: Individual cells may not sum to totals because of rounding.

STATE IMPACTS OF SHAW BLOCK GRANT PROPOSAL: TITLES I AND II

The attached table illustrates the five-year changes in funding to each state under Titles I and II of the House Republicans' Block Grant proposal as passed by the House Subcommittee on Human Resources. The first column shows the five-year reduction of funds to the states under Title I. Title I repeals AFDC and JOBS and replaces them with a capped block grant to the states, set at the 1994 level of federal outlays for AFDC benefits, JOBS, Emergency Assistance and related administration. Over the five-year period, FY 1996 through FY 2000, federal outlays to states under Title I will be \$12.4 billion less than current law projections as estimated in the President's budget proposal for FY 1996.

The second column shows the five-year reduction of funds to states under Title II. Title II repeals the current open-ended entitlement for the IV-E Foster Care and Adoption Assistance program, the IV-B Child Welfare Services program, the Family Preservation and Support program, and other discretionary programs related to child abuse and neglect, and it replaces them with a capped block grant to states. Over the five-year period, federal outlays to states would be reduced by \$5.6 billion under this proposal.

The third column displays the combined impact of Titles I and II. The block grant approach, as outlined in the markup materials supplied by the subcommittee, would reduce federal funding to states by a total of \$18 billion over five years.

Methodology

Title I: The state share of the block grant was computed by multiplying each state's percentage of the total block grant (as stated in the February 13 Mark-up document) by the amount of total funding available (\$15.355 billion).

To calculate the projected losses under Title I of the Republicans' welfare proposal, the fiscal year 1994 expenditures for AFDC benefits, administration, JOBS, and Emergency Assistance were first trended to FY 2000. This was done by increasing each state's expenditures for these programs by the projected national growth rate in budget outlays. Five-year costs were then computed by summing the total expenditures for each fiscal year from 1996 to 2000. Since expenditures are higher than budget outlays, the expenditure data were scaled to reflect budget outlays. Five-year funding losses were determined by subtracting each state's projected five-year expenditures under current law from what states would have received under the block grant during the same period.

Title II: The state share of the child welfare block grant was computed by multiplying the total allocated for each fiscal year as specified in the markup document by each state's percentage of the national FY93 child welfare expenditures. The estimate of each state's five-year change in federal revenue under the block grant proposal was calculated by multiplying the national five-year total reduction in funding by the states proportion of FY93 child welfare expenditures.

Summary of the Shaw Welfare Proposal (February 10)

TITLE I: BLOCK GRANT TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

- **Block Granting of AFDC:** Eliminates all existing statutory language on the purposes, administration and requirements of the AFDC, JOBS and EA programs and replaces them with a block grant to states. Eliminated, for example, are provisions on individual entitlements, fair hearings, state financial participation, consistent standards of need, who in the family is eligible, and statewide program availability. Separately, states would be required to operate, child support, child protection, and foster care and adoption programs.
- **Funding:** The block grant would be \$15.355 billion for each year from 1996 through 2000. Administration estimates show that this would save approximately \$13 billion over 5 years.
- **State Allotment:** The block grant money would be a capped entitlement to states. Each state would be allotted an amount equal to their average proportion of AFDC spending for 1991 through 1993.
- **Rainy Day Funds:** States may put unspent amounts of block grant funds into a rainy day account for years when more money is needed. Amounts above 120% of their annual allocation may be transferred into the state's general revenue fund. There would also be a national rainy day account of \$1 billion that states may borrow from and must pay back within 3 years.
- **Work requirements:** All recipients on the rolls for 24 months (including recipients currently on AFDC) would be required to be in a work activity, unless under age 20 and enrolled in school. For most states, this implies a participation rate of 40% or more. By statute a state's total work participation rate would be set at 2% in 1996 and would rise to 20% by 2003. Educational and training services would be allowed but not required. No definitions for standards for work activity are provided. Child care would not be guaranteed.
- **State Flexibility:** States would determine all rules relating to benefit levels and eligibility criteria. States may pay benefits to interstate immigrants at the level of their original state for up to 12 months. States would be allowed to transfer up to 20% -- or 30% -- of the funds to other block grants.
- **State Requirements:** Benefits must be used to serve families with a minor child. States are required to submit annual data on several measures and must submit to a bi-annual audit. Additionally, under provisions from title III of this act, state social service agencies would be required to provide the name and address of illegal aliens with children to the INS.
- **Prohibitions on States:** States cannot use federal block grant funds to provide benefits to:
 - (1) families who have been on the rolls for 5 cumulative years;
 - (2) Individuals that are receiving SSI or OAA (current law);
 - (3) non-citizens (except refugees and/or aged non-citizens who have resided in the U.S. more than 5 years);
 - (4) minor mothers with children born out-of-wedlock;
 - (5) children born while on AFDC (*i.e.*, *family cap*); and
 - (6) families not cooperating with the state child enforcement agency or who have not assigned to the state the child's claim rights against non-custodial parents (current law).
 - (7) Additionally, beginning 1 year following the enactment of the bill, states must pay a reduced benefit to children whose paternity is not established. The amount and duration (for up to 6 months) would be determined by states.

- **Penalties:** If an audit determines that funds were spent inappropriate to the legislation, the misspent amounts can be withheld from future payments to the state. Failure to provide required performance data would be a 3% reduction state annual grant. Failure to participate in Income Eligibility Verification System results in a penalty of 1% of state annual grant.
- **Time Limits:** AFDC would no longer be an entitlement to individuals. States would be prohibited from using federal block grant dollars to provide benefits to a family that has been on the rolls 5 years. Since states determine all rules relating to benefit levels and eligibility, they could establish any time limit.
- **Medicaid:** Transitional Medicaid for recipients who leave due to employment would be eliminated. Recipients of assistance would be eligible for Medicaid. Current recipients that become ineligible for aid would retain Medicaid eligibility.

TITLE II: CHILD PROTECTION BLOCK GRANT

- **Block Grant for Child Protection Services:** The current open-ended entitlement program for IV-E Foster Care and Adoption Assistance Program and the IV-B Child Welfare Services program and Family Preservation and Support program, along with a number of discretionary programs related to child abuse and neglect, would be consolidated into a block grant to states.
- **Funding:** The funding would be \$4.145 billion in FY 1996, \$4.308 billion in FY 1997, \$4.471 billion in FY 1998, \$4.631 billion in FY 1999, and \$4.789 billion in FY 2000. Administration estimates show that resulting savings would be \$5.7 billion over 5 years.
- **State Allotment:** The block grant would be a five year capped entitlement to the states using (not yet specified in bill).
- **State Eligibility for Funds:** States must provide HHS with information on how they intend to use the funds and provide a series of certifications ensuring that procedures are in place on reporting of abuse and neglect and acting on those reports, removal of children and their placement in safe and nurturing settings, and for achieving permanent placement. A declaration of a state's quantifiable goals and their progress is also required.
- **Purpose and Use of Funds:** States may use funds in any manner they so choose to accomplish the purposes specified in the law. The purposes are identifying and assisting families at risk of abusing or neglecting their children; operating a system of receiving reports on abuse or neglect; investigating families reported; assisting troubled families in providing proper protection and nurturing their children; providing foster care; making timely decisions about permanent living arrangements; and continuing evaluation and improvement of child protection laws, regulations and services. Twenty percent of the funds can be transferred to the block grant under Title 1, the Social Services Block Grant, the food and nutrition block grant, and the Child Care and Development Block Grant.
- **Penalties:** If a required audit finds that states have used funds not consistent with the law, funds are to be withheld the following year. However, not more than 25 percent of a quarterly payment can be withheld. Also, the annual grant will be reduced by 3 percent if states fail to submit within 6 months the required data report.

- **Child Protection Goals:** States are required to protect children, investigate reports of abuse and neglect promptly, have permanency planning in place for children removed from their homes and dispositional hearings within 3 months of a fact-finding hearing, and out-of-home placements reviewed every 6 months unless the child is already in a long term placement.
- **Citizen Review Panels:** States are required to establish citizen review panels for each metropolitan region that is broadly representative of the community and meets at least quarterly. The panel is to review specific cases to determine state compliance and make a report available to the public.
- **Data Collection and Reporting:** Annual state data reports are required to be submitted to HHS that includes basic aggregate data on the numbers of children abused and neglected, in foster care, that received services, and other similar information. States must also provide data measuring their progress towards the goals in the law and a summary response to the citizen review panels findings and recommendations. The Secretary of HHS issues an annual report of this data and provides it to the public.
- **Limitation on Federal Authority:** Other than what's specified in the law, the Secretary cannot regulate the conduct of states or enforce any provision of the law.

TITLE III: RESTRICTING WELFARE FOR ALIENS

- **NonCitizens Ineligible for Assistance:** Under these provisions, except for the exceptions noted below, noncitizens would be ineligible for most federal assistance programs. However, adults and children would remain eligible for emergency medical services and immunizations, and several educational and training programs. States would be allowed to use state resources to provide other benefits to noncitizens at state option.
- **Exceptions:** Noncitizens over 75 (who have resided in the U.S. at least 5 years) are eligible for benefits. Refugees are eligible for benefits for up to five years after the date of their arrival. Other noncitizens currently living in the U.S. would become ineligible 1 year after the enactment of the provisions and would receive notification of their ineligibility.
- **Sponsorship:** Sponsorship documents would become legally binding until the noncitizen attained citizenship.

TITLE IV: SUPPLEMENTAL SECURITY INCOME REFORMS

- **Denial of Benefits to Addicts:** Individuals diagnosed with drug or alcohol addiction would no longer be eligible for SSI or Medicaid.
- **SSI Restrictions to Disabled Children and Medical Services Block Grant:** Cash benefits would be restricted. Children would only receive cash benefits or new medical services based only on the medical listing criteria, not the individual functional assessment. Current SSI children receiving cash benefits because of a disability under the medical listing would continue to be eligible for cash, but children not already under SSI will only receive cash payments if they are institutionalized or would be in an institution if the cash payment did not exist. Children considered disabled but not eligible for cash benefits will be eligible for additional medical services under a block grant. This block grant would be an entitlement to

states for authorized medical and non-medical services to those children who qualify (those children eligible for SSI cash benefit or who are not eligible for cash but are disabled due to a condition in the medical listing).

VERY DRAFT

Table Six

Comparison of Projected Federal AFDC Expenditures Under Current Law
with FY96 Expenditures Under the Shaw Proposal, with Allocation to the States Based on
the Average Distribution of Federal AFDC Payments to States Between FY91 and FY93

State	FY96 AFDC State Block Grant Allocation FY91 - FY93 Distribution	Projected AFDC FY96 Expenditures: Current Law	Difference in total state funding	Percentage Difference	Spending Per Poor Child
Swam	\$8	\$12	(\$4)	-37%	NA
New Mexico	\$25	\$128	(\$33)	-26%	\$972
Idaho	\$25	\$29	(\$8)	-24%	\$429
Indiana	\$172	\$223	(\$51)	-23%	\$716
Nevada	\$28	\$36	(\$8)	-23%	\$566
New Hampshire	\$33	\$42	(\$9)	-22%	\$782
Hawaii	\$80	\$101	(\$21)	-21%	\$2,096
New York	\$1,914	\$2,404	(\$490)	-20%	\$1,654
District of Columbia	\$80	\$99	(\$20)	-20%	\$909
Alabama	\$80	\$98	(\$18)	-18%	\$335
Puerto Rico	\$74	\$90	(\$16)	-18%	NA
Kansas	\$89	\$108	(\$20)	-18%	\$708
Arizona	\$182	\$229	(\$37)	-16%	\$740
Texas	\$409	\$487	(\$78)	-16%	\$316
Florida	\$482	\$565	(\$83)	-16%	\$657
Virgin Islands	\$3	\$4	(\$1)	-15%	NA
Rhode Island	\$81	\$96	(\$14)	-14%	\$1,608
Alaska	\$58	\$68	(\$8)	-14%	\$2,711
Colorado	\$112	\$129	(\$18)	-14%	\$830
Virginia	\$147	\$169	(\$22)	-13%	\$782
Montana	\$40	\$45	(\$5)	-11%	\$1,066
Oregon	\$182	\$180	(\$18)	-10%	\$1,245
Delaware	\$25	\$28	(\$3)	-10%	\$1,604
Washington	\$388	\$426	(\$40)	-9%	\$1,972
Missouri	\$208	\$226	(\$20)	-9%	\$718
Maryland	\$218	\$239	(\$20)	-8%	\$1,440

Notes:

* FY96 Expenditures under current law are derived by applying the nationally projected growth in Federal AFDC spending and applying it to each state.

** Difference in spending per poor child derived by dividing the difference in total state funding by the number of poor children in each state. Numbers of poor children are provided by the US Bureau of the Census and are for calendar year 1993.

VERY DRAFT

Table Six (con'd)

Comparison of Projected Federal AFDC Expenditures Under Current Law with FY96 Expenditures Under the Shaw Proposal, with Allocation to the States Based on the Average Distribution of Federal AFDC Payments to States Between FY91 and FY93

State	FY96 AFDC State Block Grant Allocation FY91 - FY93 Distribution	Projected AFDC FY96 Expenditures: Current Law	Difference In total state funding	Percentage Change	Difference Per Poor Child
Ohio	\$712	\$775	(\$64)	-9%	\$1,306
Connecticut	\$226	\$245	(\$20)	-9%	\$2,375
California	\$3,557	\$3,882	(\$305)	-9%	\$1,574
North Carolina	\$284	\$308	(\$24)	-8%	\$266
West Virginia	\$109	\$118	(\$9)	-7%	\$821
Georgia	\$324	\$348	(\$24)	-7%	\$953
Iowa	\$128	\$138	(\$10)	-8%	\$1,456
Utah	\$72	\$78	(\$6)	-8%	\$785
Tennessee	\$178	\$188	(\$10)	-5%	\$485
Illinois	\$561	\$599	(\$38)	-5%	\$506
Arkansas	\$56	\$61	(\$5)	-9%	\$348
South Dakota	\$22	\$23	(\$1)	-5%	\$688
Minnesota	\$273	\$281	(\$8)	-3%	\$1,408
North Dakota	\$24	\$25	(\$1)	-5%	\$1,036
New Jersey	\$308	\$408	(\$98)	-2%	\$1,191
Massachusetts	\$476	\$484	(\$8)	-2%	\$2,039
Pennsylvania	\$643	\$650	(\$7)	-1%	\$1,158
Vermont	\$48	\$48	(\$1)	-1%	\$2,684
Wisconsin	\$331	\$335	(\$4)	-1%	\$1,357
South Carolina	\$105	\$105	(\$0)	-0%	\$391
Nebraska	\$53	\$52	\$1	2%	\$886
Michigan	\$842	\$820	\$22	3%	\$1,389
Louisiana	\$169	\$164	\$5	3%	\$345
Wyoming	\$23	\$22	\$1	3%	\$1,153
Mississippi	\$87	\$84	\$3	3%	\$397
Kentucky	\$191	\$185	\$6	4%	\$588
Maine	\$87	\$81	\$6	8%	\$1,406
Oklahoma	\$187	\$155	\$13	8%	\$759

Notes:

* FY96 Expenditures under current law are derived by applying the nationally projected growth in Federal AFDC spending and applying it to each state.

** Difference in spending per poor child derived by dividing the difference in total state funding by the number of poor children in each state. Numbers of poor children are provided by the US Bureau of the Census and are for calendar year 1993.

002/019

HHS OS ASPE 415F +++ BRUCE REED

02/13/95 12:32 202 690 7383

Ways and Means Committee
Subcommittee on Human Resources
Markup Documents for Welfare Reform
February 13, 1995

Personal Responsibility Act
Title I
Temporary Family Assistance Block Grant

Note. The provisions outlined below replace all of Part A of Title IV of the Social Security Act except section 403(h) and section 417.

February 13, 1995 10:13 am

003/019
BRUCE REED
HHS OS ASPE 415F
02/13/95 12:32
202 690 7383

Item	Current Law	Subcommittee Bill
1. Purpose	<p>Encourage care of dependent children in own homes by enabling State to provide cash aid and services; maintain and strengthen family life; and help parents attain maximum self-support consistent with maintaining parental care and protection.</p>	<p>Establishes a block grant to provide states with funds to operate a program to provide aid to families with needy children so that children may be cared for in their homes or the homes of relatives, end dependence of needy parents on government aid, and discourage out-of-wedlock births.</p>
2. Eligible State; State Plan	<p>State plan must provide that state will operate child support plan in compliance with approved plan. State must have approved plan for foster care and adoption assistance.</p>	<p>"Eligible State" is one that meets the following requirements:</p> <ol style="list-style-type: none">1. Certification that State will operate a child support enforcement program;2. Certification that State will operate a foster care and an adoption assistance program;3. Certification that State will operate a child welfare program; and4. State Plan Requirements (see below)
3. State Plan Requirements	<p>A State must have an approved State plan for aid and services to needy families containing 43 provisions, ranging from single-agency administration to overpayment recovery rules.</p>	<p>During the immediately preceding 3 years, the State must have submitted to the Secretary of Health and Human Services a plan outlining how the State intends to do the following:</p>

02/13/95 12:33 202 690 7383 HHS OS ASPE 415F +--- BRUCE REED 004/019

Item

Current Law

Subcommittee Bill

A. Provide Cash to Needy Children and Welfare-to-Work Activities to Parents

State plan is for aid and services. Aid is defined as money payments. For most parents without a child under 3, State JOBS programs must provide education, work, or training for the purpose of helping needy families with children avoid long-term welfare dependence.

Conduct a program designed to provide cash benefits to families with needy children and provide parents in these families with work experience, assistance in finding employment, and other work-preparation activities and support services to enable such families to leave the program and become self-sufficient.

B. Work Requirement After 24 Months

No provision.

Require parents who have received benefits for more than 24 months (whether or not consecutive) to engage in work activities (as defined by the State).

C. Work Participation Standards

In FY95, 20% of employable (nonexempt) adult recipients must participate in education, work, or training under JOBS, and at least one parent in 50% of unemployed-parent families must participate at least part time (16 hours weekly) in an unpaid work experience or other work program.

Require the following percentages of the State's entire caseload of adult recipients to engage in work activities in the following years:

<u>Fiscal year</u>	<u>Percentage:</u>
1996	2
1997	5
1998	10
1999	12
2000	14
2001	16
2002	18
2003 or thereafter	20.

D. Interstate Immigrants

No provision.

Provide benefits for interstate immigrants, if these families are to be treated differently than other families.

005/019
BRUCE REED
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202 690 7383
02/13/95 12:33

Item	Current Law	Subcommittee Bill
E. Privacy Protections	State must restrict disclosure of information to purposes directly connected to administration of program and to any connected investigation, prosecution, legal proceeding or audit.	Take reasonable steps to restrict the use and disclosure of information about individuals and families receiving benefits under the program.
F. Reduce Out-of-Wedlock Births	Each State must offer family planning services to all "appropriate" cases, including minors considered sexually active. State may not require acceptance of these services.	Take actions to reduce the incidence of out-of-wedlock births; these actions may include providing unmarried mothers and fathers with services to avoid subsequent pregnancies, and to provide adequate care to their children.
4. Grants to States for Family Assistance		
A. Entitlement	Entitlement to states. (Has also evolved into entitlement to individuals via court rulings.) Provides permanent authority for appropriations without limit for AFDC benefits, administration, and AFDC/JOBS child care. For benefits, child care, and JOBS, federal matching rates range from 79% to 50%. Matching for most administrative costs is 50%.	Each eligible State shall be entitled to receive from the Secretary for each fiscal year between 1996 and 2000 an amount equal to the State share of the family assistance amount for the year. The current entitlement to services for individuals is eliminated. Funds provided to eligible States are to be used for cash benefits and other programs and services consistent with the purposes of this title.
B. Definitions		
1. Family Assistance Amount	No provision.	The "Family Assistance Amount" is the total amount of money in the block grant and equals \$15,355,000,000 for each fiscal year between 1996 and 2000.

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ii. State Share

No provision.

"State share" means that for a given fiscal year the State will receive the same proportion of the family assistance amount as it received in AFDC funding under this section in FY 91-93 in comparison to the total AFDC payments to all States that year. (For State-by-State percentages, see attached page.)

iii. State

For AFDC, term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands and Guam. AFDC funds for last 3 are capped, and federal share is 75%. AFDC authorized but not implemented in American Samoa.

"State" includes the several states, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa.

C. Use of Funds

i. General Rules

AFDC funds to be used in conformity with State plan. State may replace caretaker relative with protective payee or guardian or legal representative.

States may use funds in any manner reasonably calculated to accomplish the purpose of this part (except for prohibitions under item 6). Nothing in this act is intended to limit in any way the manner in which a State may spend its own funds on aid for needy families.

States are encouraged to implement an electronic benefit transfer system for providing benefits and are authorized to use block grant funds for this purpose.

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Item	Current Law	Subcommittee Bill
ii. Interstate Immigrants	No provision.	In the case of families that have lived in a State for less than 12 months, States may provide them with the benefit level of the State from which they moved.
iii. Transferring Block Grant Funds	No provision.	States may transfer up to 30 percent of the funds paid to the State under this section for activities under any or all of the following: (A) The child protection block grant program. (If passed by Congress). (B) The social services block grants under title XX. (If passed by Congress). (C) The food and nutrition block grant program. (If passed by Congress). (D) The child care and development block grant program. (If passed by Congress).
iv. State Rainy Day Account	No provision.	States are allowed to establish an account using their block grant funds for the purpose of paying emergency benefits. The account may build up from year to year, and in any given year in which funds in the account reach 120% of that year's State share of the block grant under this part, the State may transfer the amount that exceeds 120% to the general revenue fund of the State.
D. Timing of Payments	Secretary shall make quarterly payments to States.	Secretary shall make quarterly payments to the States.

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Item	Current Law	Subcommittee Bill
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E. Penalties

i. For Misuse of Funds

If Secretary finds that a State has failed to comply with the State plan, she is to withhold all payments from the State (or limit payments to categories not affected by noncompliance).

The Secretary shall reduce the funds payable to a State under this part by any amount granted to the State under this part which is used in violation of this part, but the Secretary shall not reduce any quarterly payment by more than 25 percent. The amount of misspent funds will be withheld from the State's payments during the following year.

ii. For Failure to Submit Report

No specific penalty (general noncompliance penalty could apply).

The Secretary shall reduce by 3 percent the amount otherwise payable to a State for a fiscal year if the State has not submitted the annual report (see below) within 6 months after the end of the immediately preceding fiscal year.

iii. For Failure to Participate in the Income and Eligibility Verification System (IEVS)

States must have in effect an Income and Eligibility Verification System covering AFDC, Medicaid, unemployment compensation, the food stamp program, and the programs of cash relief for needy aged, blind or disabled adults in the outlying areas.

The Secretary shall reduce by 1 percent the amount of a State's annual grant if the State fails to participate in the Income and Eligibility Verification System designed to reduce welfare fraud.

F. Limitation of Federal Authority

No provision.

Except as expressly provided, the Secretary may not regulate the conduct of the States or enforce any provisions of this part.

5. Federal Rainy Day Loan Fund

No provision.

The Federal government will establish a fund of \$1 billion modeled on the Federal

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6. Prohibitions

A. No Benefits to Family Without a Minor Child

Only families with dependent children can participate in the program.

Only families with dependent children can participate in the program.

B. No Duplicate Benefits

AFDC benefits may not be paid to a person receiving old-age assistance (predecessor to SSI now available only in the Commonwealth of Puerto Rico, Guam and U.S. Virgin Islands), a person receiving SSI, or a person receiving AFDC foster care payments.

Block grant funds may not be paid to a person receiving old-age assistance (predecessor to SSI now available only in the Commonwealth of Puerto Rico, Guam and U.S. Virgin Islands), a person receiving SSI, or a person receiving AFDC foster care payments.

C. No Benefits for Non-Citizens

Legal aliens are eligible for federal means-tested benefit programs. States must verify the immigration status of aliens with the Immigration and Naturalization Service. Verification

Block grant funds may not be used to provide cash benefits to a non-citizen unless the individual is a refugee under section 207 of the Immigration and Nationality Act who has been in the U.S. for under 5 years or a legal

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Item Current Law Subcommittee Bill

system must cover AFDC, and Medicaid, Food Stamps, unemployment compensation, and the program of adult cash aid in the outlying areas. Federal matching funds pay 50% of the cost.

permanent resident over 75 who has lived in the U.S. at least 5 years (Noncitizens would continue to be eligible for benefits under 14 federal means-tested programs; see attached list).

D. No Benefits for Out-of-Wedlock Births to Minors

No provision.

Block grant funds may not be used to provide cash benefits to a child born out-of-wedlock to a mother under age 18 or to the mother (Medicaid, Food Stamps, and other benefits would continue).

E. No Additional Benefits for Births to Families on Welfare

No provision (most States increase benefits for each new child; some have a standard maximum for large families).

Block grant funds may not be used to provide cash benefits for a child born to a recipient of cash welfare benefits under the program operated under this part, or an individual who received cash benefits at any time during the 10-month period ending with the birth of the child (Medicaid, Food Stamps, and other benefits would continue).

F. No Benefits for Families on Welfare More Than 5 Years

No provision.

Block grant funds may not be used to provide cash benefits for the family of an individual who, after attaining 18 years of age, has received block grant funds for 60 months (whether or not successive) after the effective date of this part (Medicaid, Food Stamps, and other benefits would continue). States are permitted to provide exemptions from this provision for up to 10 percent of their caseload.

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Item

Current Law

Subcommittee Bill

G. No Benefits For Families
Not Cooperating on Child
Support Enforcement

As a condition of eligibility,
applicants or recipients must cooperate
in establishing paternity of a child
born out-of-wedlock, in obtaining
support payments, and in identifying any
third party who may be liable to pay for
medical care and services for the child.

Block grant funds may not be used to provide
cash benefits to applicants or recipients not
cooperating with the state child support
enforcement agency in establishing the
paternity of any child of the individual.

H. No Benefits for Families
Not Assigning Child's Claim
Right to State

Block grant funds may not be used to
provide cash benefits to a family with
an adult who has not assigned to the
State the child's claim rights against a
noncustodial parent.

Block grant funds may not be used to provide
cash benefits to a family with an adult who
has not assigned to the State the child's
claim rights against a noncustodial parent.

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Item

Current Law

Subcommittee Bill

I. Reduced Assistance if Paternity Not Established

No provision.

If, at the time a family applies for assistance, the paternity of a child in the family has not been established, the State must impose a financial penalty not to exceed \$50 or 15 percent of the monthly benefits of a family of that size for a minimum of 3 months and a maximum of 6 months.

7. Data Collection And Reporting

States are required to report the average monthly number of families in each JOBS activity, their types, amounts spent per family, length of JOBS participation and the number of families aided with AFDC/JOBS child care services, the kinds of child care services, priorities for them, and sliding fee schedules. States that disallow AFDC for minor mothers in their own living quarters are required to report the number living in their parent's home or in another supervised arrangement.

Each State to which funds are paid under this part, and using funds paid under this part, are required, not later than 6 months after the end of each fiscal year, to transmit to the Secretary the following information on each family to which block grant benefits were provided during the fiscal year:

1. The number of adults in the family, and the relationship of the adults to each child in the family.
2. The number of children in the family and the age of each child.
3. The members of the family who are physically or mentally incapacitated.
4. The basis of the eligibility of the family for such assistance.
5. In the case of a 2-parent family, whether any adult in the family is unemployed.

Item

Current Law

Subcommittee Bill

6. In the case of a 1-parent family, whether the sole parent is a widow or widower, is divorced, is separated, or is never married.

7. The age, race, educational attainment, and employment status of each parent in the family.

8. The earned income of each member of the family.

9. The income of the family from the program operated under this part.

10. Whether this family or anyone in the family receives benefits from the following public programs:

- (A) Housing
- (B) Food Stamps
- (C) Head Start
- (D) Job Training

11. The number of months the family has been on welfare during its current spell.

12. The total number of months for which benefits have been provided to the family.

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02/13/95

Item	Current Law	Subcommittee Bill
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e. Study	No provision.	<p>The Census Bureau shall have \$10 million per year in entitlement funds for years 1996 through 2000 for the purpose of expanding the Survey of Income and Program Participation to evaluate the impact of welfare reforms on a random national sample of recipients and, if appropriate, other low-income families. The Census Bureau may use the money in any way it sees fit to improve knowledge about the impact of welfare reform on children and families, but should pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.</p>
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Item Current Law Subcommittee Bill

9. Report by Secretary on Data Processing

No provision.

The Secretary of HHS shall report to Congress within 6 months on the status of automatic data processing systems in the states, on what would be required to produce a system capable of tracking participants in public programs over time, and of checking case records across states to determine whether some individuals are participating in public programs in more than one state. The report should include a plan for building on the current automatic data processing systems to produce a system capable of performing these functions as well as an estimate of the time required to put the system in place and the cost of the system.

10. Audits

Secretary must operate a quality control system to determine the amount of erroneous AFDC payment by a State.

Funds provided under this part shall be audited in accordance with the Single Audit Act.

11. Continued Medicaid Eligibility

States must continue Medicaid (or pay premiums for employer-provided health insurance) for 6 months to family that loses AFDC eligibility because of hours of, or income from, work of the caretaker relative, or because of loss of the earned income disregard after 4 months of work. States must offer an additional 6 months of medical assistance, for which it may require a premium payment if the family's income

An individual who on enactment was receiving AFDC, was eligible for medical assistance under the State plan under this title, and would be eligible to receive aid or assistance under a State plan approved under part A of title IV but for the prohibition on grant funds being used to provide assistance to noncitizens, minor unwed mothers or their children, and children born to families already on welfare would continue to be eligible for Medicaid.

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after child care expenses is not above the poverty guideline. - For extended medical aid, families must submit specified reports.

12. Child Support Audit Penalties

If a State's child support plan fails to comply substantially with Federal requirements, the Secretary is to reduce its AFDC matching funds (by percentages that rise for successive violations).

This provision, now found in 403(h) of part A of the Social Security Act, is retained in the block grant.

13. Assistant Secretary for Family Support

An Assistant Secretary for Family Support, appointed by the President by and with consent of the Senate, is to administer AFDC, child support and establishment of paternity, and the Jobs Opportunities and Basic Skills (JOBS) program.

This provision, now found in 417 of Part A of the Social Security Act, is retained in the block grant.

14. Repeal JOBS Program

JOBS is Part F of Title IV of the Social Security Act.

Repeal JOBS Program.

15. Other Conforming Amendments and Repealers

Numerous technical changes.

02/13/95 12:37 202 690 7383 HHS 05 ASPE 415F ->>> BRUCE REED 017/019

Item

Current Law

Subcommittee Bill

16. Effective Dates

No provision.

The amendments and repeals made by this title shall take effect on October 1, 1995. The authority to temporarily reduce assistance (for between 3 and 6 months) for certain families that include a child whose paternity is not established will begin 1 year after the effective date or, at the option of the State, 2 years after the effective date.

Federal Percentage Share of AFDC Expenditures by State, Average for Fiscal Year 1991- Fiscal Year 1993

Alabama	0.53	Ohio	4.69
Alaska	0.39	Oklahoma	1.02
Arizona	1.23	Oregon	1.06
Arkansas	0.38	Pennsylvania	4.24
California	23.62	Puerto Rico	0.49
Colorado	0.74	Rhode Island	0.54
Connecticut	1.50	South Carolina	0.69
Delaware	0.16	South Dakota	0.15
District of Columbia	0.48	Tennessee	1.18
Florida	3.26	Texas	2.71
Georgia	2.13	Utah	0.47
Hawaii	0.53	Vermont	0.31
Idaho	0.17	Virginia	0.98
Illinois	3.70	Washington	2.55
Indiana	1.14	West Virginia	0.72
Iowa	0.84	Wisconsin	2.19
Kansas	0.59	Wyoming	0.15
Kentucky	1.27	Guam	0.05
Louisiana	1.12	U.S. Virgin Islands	0.02
Maine	0.57		
Maryland	1.43		
Massachusetts	2.99		
Michigan	5.51		
Minnesota	1.77		
Mississippi	0.58		
Missouri	1.36		
Montana	0.27		
Nebraska	0.35		
Nevada	0.18		
New Hampshire	0.21		
New Jersey	2.45		
New Mexico	0.62		
New York	11.71		
North Carolina	1.86		
North Dakota	0.16		

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ATTACHMENT

Programs for Which Aliens Would Remain Eligible:

1. Emergency medical services
2. Stafford student loan program
3. Basic educational opportunity grants
4. Federal work study
5. Federal supplemental education opportunity grants
6. Federal Perkins loans
7. Grants to States for state student incentives
8. Grants and fellowships for graduate programs
9. Special programs for students whose families are engaged in migrant and seasonal farm work
10. Loans and Scholarships for Education in the Health Professions
11. Grants for Immunizations Against Vaccine-Preventable Diseases
12. Job Corps
13. Summer Youth Employment and Training
14. Programs of Training for Disadvantaged Adults under Title II-A and for Disadvantaged Youth under Title II-C of the Job Training Partnership Act
15. Earned Income Tax Credit

Ways and Means Committee
Subcommittee on Human Resources
Markup Documents for Welfare Reform
February 13, 1995

Personal Responsibility Act
Title I
Temporary Family Assistance Block Grant

Note. The provisions outlined below replace all of Part A of Title IV of the Social Security Act except section 403(h) and section 417.

?
Impact of Rainy Day Fund
10% recycle
Race - why are they asking?
\$10/yr Census vs how much on fraud?

February 13, 1995 10:13 am

LATEST

Item	Current Law	Subcommittee Bill
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1. Purpose

Encourage care of dependent children in own homes by enabling State to provide cash aid and services; maintain and strengthen family life; and help parents attain maximum self-support consistent with maintaining parental care and protection.

Establishes a block grant to provide states with funds to operate a program to provide aid to families with needy children so that children may be cared for in their homes or the homes of relatives, end dependence of needy parents on government aid, and discourage out-of-wedlock births.

2. Eligible State; State Plan

State plan must provide that state will operate child support plan in compliance with approved plan. State must have approved plan for foster care and adoption assistance.

"Eligible State" is one that meets the following requirements:

1. Certification that State will operate a child support enforcement program;
2. Certification that State will operate a foster care and an adoption assistance program;
3. Certification that State will operate a child welfare program; and
4. State Plan Requirements (see below)

3. State Plan Requirements

A State must have an approved State plan for aid and services to needy families containing 43 provisions, ranging from single-agency administration to overpayment recovery rules.

During the immediately preceding 3 years, the State must have submitted to the Secretary of Health and Human Services a plan outlining how the State intends to do the following:

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Current Law

Subcommittee Bill

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B. Work Requirement After 24 Months

No provision.

Require parents who have received benefits for more than 24 months (whether or not consecutive) to engage in work activities (as defined by the State).

C. Work Participation Standards

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A. Entitlement	Entitlement to states. (Has also evolved into entitlement to individuals via court rulings.) Provides permanent authority for appropriations without limit for AFDC benefits, administration, and AFDC/JOBS child care. For benefits, child care, and JOBS, federal matching rates range from 79% to 50%. Matching for most administrative costs is 50%.	Each eligible State shall be entitled to receive from the Secretary for each fiscal year between 1996 and 2000 an amount equal to the State share of the family assistance amount for the year. The current entitlement to services for individuals is eliminated. Funds provided to eligible States are to be used for cash benefits and other programs and services consistent with the purposes of this title.
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Item	Current Law	Subcommittee Bill
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Item	Current Law	Subcommittee Bill
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D. Timing of Payments	Secretary shall make quarterly payments to States.	Secretary shall make quarterly payments to the States.

Item	Current Law	Subcommittee Bill
E. Penalties		
i. For Misuse of Funds	If Secretary finds that a State has failed to comply with the State plan, she is to withhold all payments from the State (or limit payments to categories not affected by noncompliance).	The Secretary shall reduce the funds payable to a State under this part by any amount granted to the State under this part which is used in violation of this part, but the Secretary shall not reduce any quarterly payment by more than 25 percent. The amount of misspent funds will be withheld from the State's payments during the following year.
ii. For Failure to Submit Report	No specific penalty (general noncompliance penalty could apply).	The Secretary shall reduce by 3 percent the amount otherwise payable to a State for a fiscal year if the State has not submitted the annual report (see below) within 6 months after the end of the immediately preceding fiscal year.
iii. For Failure to Participate in the Income and Eligibility Verification System (IEVS)	States must have in effect an Income and Eligibility Verification System covering AFDC, Medicaid, unemployment compensation, the food stamp program, and the programs of cash relief for needy aged, blind or disabled adults in the outlying areas.	The Secretary shall reduce by 1 percent the amount of a State's annual grant if the State fails to participate in the Income and Eligibility Verification System designed to reduce welfare fraud.
F. Limitation of Federal Authority	No provision.	✓ [Except as expressly provided, the Secretary may not regulate the conduct of the States or enforce any provisions of this part.
5. Federal Rainy Day Loan Fund	No provision.	The Federal government will establish a fund of \$1 billion modeled on the Federal

Item	Current Law	Subcommittee Bill
6. Prohibitions		
A. No Benefits to Family Without a Minor Child	Only families with dependent children can participate in the program.	Only families with dependent children can participate in the program.
B. No Duplicate Benefits	AFDC benefits may not be paid to a person receiving old-age assistance (predecessor to SSI now available only in the Commonwealth of Puerto Rico, Guam and U.S. Virgin Islands), a person receiving SSI, or a person receiving AFDC foster care payments.	Block grant funds may not be paid to a person receiving old-age assistance (predecessor to SSI now available only in the Commonwealth of Puerto Rico, Guam and U.S. Virgin Islands), a person receiving SSI, or a person receiving AFDC foster care payments.
C. No Benefits for Non-Citizens	Legal aliens are eligible for federal means-tested benefit programs. States must verify the immigration status of aliens with the Immigration and Naturalization Service. Verification	Block grant funds may not be used to provide cash benefits to a non-citizen unless the individual is a refugee under section 207 of the Immigration and Nationality Act who has been in the U.S. for under 5 years or a legal

unemployment account that is part of the unemployment compensation system. States may borrow from the fund if their total unemployment rate for any given 3 month period exceeds 6.5% and is at least 110% of the same measure in either of the previous 2 years. At any given time, no State can borrow more from the fund than half its annual share of block grant funds or \$100 million, whichever is less. States must repay their loans, with interest, within 3 years. The fund shall be administered by the Secretary of HHS.

Item

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Subcommittee Bill

system must cover AFDC, and Medicaid, Food Stamps, unemployment compensation, and the program of adult cash aid in the outlying areas. Federal matching funds pay 50% of the cost.

permanent resident over 75 who has lived in the U.S. at least 5 years (Noncitizens would continue to be eligible for benefits under 14 federal means-tested programs; see attached list).

D. No Benefits for Out-of-Wedlock Births to Minors

No provision.

Block grant funds may not be used to provide cash benefits to a child born out-of-wedlock to a mother under age 18 or to the mother (Medicaid, Food Stamps, and other benefits would continue).

E. No Additional Benefits for Births to Families on Welfare

No provision (most States increase benefits for each new child; some have a standard maximum for large families).

Block grant funds may not be used to provide cash benefits for a child born to a recipient of cash welfare benefits under the program operated under this part, or an individual who received cash benefits at any time during the 10-month period ending with the birth of the child (Medicaid, Food Stamps, and other benefits would continue).

F. No Benefits for Families on Welfare More Than 5 Years

No provision.

Block grant funds may not be used to provide cash benefits for the family of an individual who, after attaining 18 years of age, has received block grant funds for 60 months (whether or not successive) after the effective date of this part (Medicaid, Food Stamps, and other benefits would continue). States are permitted to provide exemptions from this provision for up to 10 percent of their caseload.

Item	Current Law	Subcommittee Bill
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G. No Benefits for Families
Not Cooperating on Child
Support Enforcement

As a condition of eligibility, applicants or recipients must cooperate in establishing paternity of a child born out-of-wedlock, in obtaining support payments, and in identifying any third party who may be liable to pay for medical care and services for the child.

Block grant funds may not be used to provide cash benefits to applicants or recipients not cooperating with the state child support enforcement agency in establishing the paternity of any child of the individual.

H. No Benefits for Families
Not Assigning Child's Claim
Right to State

Block grant funds may not be used to provide cash benefits to a family with an adult who has not assigned to the State the child's claim rights against a noncustodial parent.

Block grant funds may not be used to provide cash benefits to a family with an adult who has not assigned to the State the child's claim rights against a noncustodial parent.

Item

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I. Reduced Assistance if
Paternity Not Established

No provision.

If, at the time a family applies for assistance, the paternity of a child in the family has not been established, the State must impose a financial penalty not to exceed \$50 or 15 percent of the monthly benefits of a family of that size for a minimum of 3 months and a maximum of 6 months.

7. Data Collection And Reporting

States are required to report the average monthly number of families in each JOBS activity, their types, amounts spent per family, length of JOBS participation and the number of families aided with AFDC/JOBS child care services, the kinds of child care services, priorities for them, and sliding fee schedules. States that disallow AFDC for minor mothers in their own living quarters are required to report the number living in their parent's home or in another supervised arrangement.

Each State to which funds are paid under this part, and using funds paid under this part, are required, not later than 6 months after the end of each fiscal year, to transmit to the Secretary the following information on each family to which block grant benefits were provided during the fiscal year:

1. The number of adults in the family, and the relationship of the adults to each child in the family.
2. The number of children in the family and the age of each child.
3. The members of the family who are physically or mentally incapacitated.
4. The basis of the eligibility of the family for such assistance.
5. In the case of a 2-parent family, whether any adult in the family is unemployed.

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6. In the case of a 1-parent family, whether the sole parent is a widow or widower, is divorced, is separated, or is never married.

7. The age, race, educational attainment, and employment status of each parent in the family.

8. The earned income of each member of the family.

9. The income of the family from the program operated under this part.

10. Whether this family or anyone in the family receives benefits from the following public programs:

- (A) Housing
- (B) Food Stamps
- (C) Head Start
- (D) Job Training

11. The number of months the family has been on welfare during its current spell.

12. The total number of months for which benefits have been provided to the family.

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Item	Current Law	Subcommittee Bill
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8. Study

No provision.

The Census Bureau shall have \$10 million per year in entitlement funds for years 1996 through 2000 for the purpose of expanding the Survey of Income and Program Participation to evaluate the impact of welfare reforms on a random national sample of recipients and, if appropriate, other low-income families. The Census Bureau may use the money in any way it sees fit to improve knowledge about the impact of welfare reform on children and families, but should pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

more than they spend on fraud

Item	Current Law	Subcommittee Bill
9. Report by Secretary on Data Processing	No provision.	The Secretary of HHS shall report to Congress within 6 months on the status of automatic data processing systems in the states, on what would be required to produce a system capable of tracking participants in public programs over time, and of checking case records across states to determine whether some individuals are participating in public programs in more than one state. The report should include a plan for building on the current automatic data processing systems to produce a system capable of performing these functions as well as an estimate of the time required to put the system in place and the cost of the system.
10. Audits	Secretary must operate a quality control system to determine the amount of erroneous AFDC payment by a State.	Funds provided under this part shall be audited in accordance with the Single Audit Act.
11. Continued Medicaid Eligibility	States must continue Medicaid (or pay premiums for employer-provided health insurance) for 6 months to family that loses AFDC eligibility because of hours of, or income from, work of the caretaker relative, or because of loss of the earned income disregard after 4 months of work. States must offer an additional 6 months of medical assistance, for which it may require a premium payment if the family's income	An individual who on enactment was receiving AFDC, was eligible for medical assistance under the State plan under this title, and would be eligible to receive aid or assistance under a State plan approved under part A of title IV but for the prohibition on grant funds being used to provide assistance to noncitizens, minor unwed mothers or their children, and children born to families already on welfare would continue to be eligible for Medicaid.

= who?

Item	Current Law	Subcommittee Bill
	after child care expenses is not above the poverty guideline. For extended medical aid, families must submit specified reports.	
12. Child Support Audit Penalties	If a State's child support plan fails to comply substantially with Federal requirements, the Secretary is to reduce its AFDC matching funds (by percentages that rise for successive violations).	This provision, now found in 403(h) of part A of the Social Security Act, is retained in the block grant.
13. Assistant Secretary for Family Support	An Assistant Secretary for Family Support, appointed by the President by and with consent of the Senate, is to administer AFDC, child support and establishment of paternity, and the Jobs Opportunities and Basic Skills (JOBS) program.	This provision, now found in 417 of Part A of the Social Security Act, is retained in the block grant.
14. Repeal JOBS Program	JOBS is Part F of Title IV of the Social Security Act.	<u>Repeal</u> JOBS Program.
15. Other Conforming Amendments and Repealers		Numerous technical changes.

Item	Current Law	Subcommittee Bill
16. Effective Dates	No provision.	The amendments and repeals made by this title shall take effect on October 1, 1995. The authority to temporarily reduce assistance (for between 3 and 6 months) for certain families that include a child whose paternity is not established will begin 1 year after the effective date or, at the option of the State, 2 years after the effective date.

Federal Percentage Share of AFDC Expenditures by State, Average for Fiscal Year 1991- Fiscal Year 1993

Alabama	0.53	Ohio	4.69
Alaska	0.39	Oklahoma	1.02
Arizona	1.23	Oregon	1.06
Arkansas	0.38	Pennsylvania	4.24
California	23.62	Puerto Rico	0.49
Colorado	0.74	Rhode Island	0.54
Connecticut	1.50	South Carolina	0.69
Delaware	0.16	South Dakota	0.15
District of Columbia	0.48	Tennessee	1.18
Florida	3.26	Texas	2.71
Georgia	2.13	Utah	0.47
Hawaii	0.53	Vermont	0.31
Idaho	0.17	Virginia	0.98
Illinois	3.70	Washington	2.55
Indiana	1.14	West Virginia	0.72
Iowa	0.84	Wisconsin	2.19
Kansas	0.59	Wyoming	0.15
Kentucky	1.27	Guam	0.05
Louisiana	1.12	U.S. Virgin Islands	0.02
Maine	0.57		
Maryland	1.43		
Massachusetts	2.99		
Michigan	5.51		
Minnesota	1.77		
Mississippi	0.58		
Missouri	1.36		
Montana	0.27		
Nebraska	0.35		
Nevada	0.18		
New Hampshire	0.21		
New Jersey	2.45		
New Mexico	0.62		
New York	11.71		
North Carolina	1.86		
North Dakota	0.16		

ATTACHMENT

Programs for Which Aliens Would Remain Eligible:

1. Emergency medical services
2. Stafford student loan program
3. Basic educational opportunity grants
4. Federal work study
5. Federal supplemental education opportunity grants
6. Federal Perkins loans
7. Grants to States for state student incentives
8. Grants and fellowships for graduate programs
9. Special programs for students whose families are engaged in migrant and seasonal farm work
10. Loans and Scholarships for Education in the Health Professions
11. Grants for Immunizations Against Vaccine-Preventable Diseases
12. Job Corps
13. Summer Youth Employment and Training
14. Programs of Training for Disadvantaged Adults under Title II-A and for Disadvantaged Youth under Title II-C of the Job Training Partnership Act
15. Earned Income Tax Credit

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Ways and Means Committee
Markup Document for Welfare Reform
February 13, 1995

Child Protection Block Grant Program
Title II--H.R. 4
Personal Responsibility Act

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citizen review panels - cost? bureaucracy?
"ethnicity" - why ask?
impact of data collection - a burden?
Galston - Metzenbaum repealer (II - p.13)

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Item

Current Law

Subcommittee Proposal

1. Purpose

Title IV-B Child Welfare Services -- to help States provide child welfare services; to help States provide family preservation and community-based family support services; and to improve State court procedures related to child welfare.

Title IV-E Foster Care and Adoption Assistance -- provisions to be repealed help States finance administration, child placement services and training related to foster care and adoption assistance.

Title IV-E Independent Living -- to help older foster children transition to independent living.

Child Abuse Prevention and Treatment Act -- to help States improve child protective service systems, and develop statewide family resource services.

Additional Programs -- other programs repealed range from eliminating barriers to adoption to conducting research related to child welfare.

To provide eligible States with cash payments used to--

1. identify and assist families at risk of abusing or neglecting their children;
2. operate a system for receiving reports of abuse or neglect of children;
3. investigate families reported to abuse or neglect their children;
4. assist troubled families reported to abuse or neglect their children;
5. support children who must be removed from or who cannot live with their families;
6. make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families; and
7. provide for continuing evaluation and improvement of child protection laws, regulations, and services.

2. Eligible State

State must have a child welfare services plan developed jointly by the Secretary and the relevant State agency.

An "eligible State" is one that, during the 3-year period that ends on October 1 of the fiscal year, has submitted to the Secretary a plan that describes how the state intends to pursue the purposes described above.

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Item	Current Law	Subcommittee Proposal
3. State Plan Requirements	<p>The plan must provide for single agency administration and describe services to be provided and geographic areas where services will be available, among numerous other requirements. To receive their full allotment of "incentive" funds under Title IV-B, States also must comply with extensive federal Section 427 protections. The State plan also must meet many other requirements, such as setting forth a 5-year statement of goals for family preservation and family support and assuring the review of progress toward those goals. For foster care and adoption assistance, States must submit for approval a Title IV-E plan providing for a foster care and adoption assistance program and satisfying numerous requirements. To be eligible for State grant funds under the Child Abuse Prevention and Treatment Act, States must have in effect a law for reporting known and suspected child abuse and neglect providing for prompt investigation of child abuse and neglect reports, among many other requirements.</p>	<p>State plan must include the following:</p> <ol style="list-style-type: none">1. Outline of Child Protection Program;2. Certification of State law requiring reporting of child abuse and neglect;3. Certification of State program to investigate child abuse and neglect cases;4. Certification of State procedures for removal and placement of abused or neglected children;5. Certification of State procedures for developing and reviewing written plans for permanent placement of removed children that specifies the goal for achieving a permanent placement for the child in a timely fashion, the written plan is reviewed every 6 months, that information about such children is collected regularly and recorded in case records, and a description of such procedures; and6. Declaration of State and child welfare goals. States shall within 3 years of the passage, declare quantifiable goals of their child protection program and report quantifiable information on whether they are making progress toward achieving their goals. <p>The Secretary of HHS can determine whether the State plan includes all of the elements reviewed above but cannot add new elements or review the adequacy of State procedures.</p>

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Item	Current Law	Subcommittee Proposal
4. Grants to States for Child Protection		
A. Entitlement		The block grant money is an entitlement to States: each eligible State shall be entitled to receive from the Secretary an amount equal to the State share of the child protection grant amount for fiscal years 1996 through 2000.
B. Definitions		
-Child Protection Grant Amount	(See table of funding levels for programs to be replaced)	1. "Child Protection Grant Amount" means \$4.145 billion in 1996, \$4.308 billion in 1997, \$4.471 billion in 1998, \$4.631 billion in 1999, and \$4.789 billion in 2000.
-State Share	Provisions vary among programs to be repealed.	2. "State Share" means each state receives the same proportion of the block grant each year as it received of payments to states by the federal government for child welfare programs FY 93.
-State	Under Titles IV-B and IV-E of the Social Security Act, "State" means the 50 States, and the District of Columbia. The Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa receive funds through set asides and under special rules.	3. "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the U. S. Virgin Islands, Guam, and American Samoa.

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Item

Current Law

Subcommittee Proposal

C. Use of Funds

-General Rules

Funds must be used, for example, for "protecting and promoting the welfare of children...preventing unnecessary separation of children from their families...restoring children to their families if they have been removed...family preservation services...community-based family support services to promote the well-being of children and families and to increase parents' confidence and competence." Foster care maintenance and adoption assistance payments are an open-ended entitlement to individuals.

1. A State to which funds are paid under this section may use such funds in any manner that the State deems appropriate to accomplish the purpose of this part. Permitted uses of block grant funds include making a foster care maintenance and adoption assistance payments.

-Transferring Block Grant Funds

No provision

2. A State may transfer up to 30 percent of the funds paid to the State under this section for a fiscal year to any or all of the following: the State program funded under Part A, activities of the State funded under title XX, the food and nutrition block grant program, and the child care block grant program.

-Timing of Expenditures

Provisions vary among programs to be repealed.

3. A State to which funds are paid under this section for a fiscal year shall expend such funds not later than the end of the immediately succeeding fiscal year.

D. Timing of Payments

Provisions vary among proposals to be repealed.

The Secretary shall make payments on a quarterly basis.

E. Penalties

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Item	Current Law	Subcommittee Proposal
-For Misuse of Funds	<p>States that do not comply with Section 427 protections may not receive their share of Title IV-B appropriations above \$141 million. However, effective April 1, 1996, these projections are to become State plan requirements and the incentive funding mechanism would no longer be in effect (regulations currently pending). Section 1123 of the Social Security Act requires the Secretary to establish by regulation a new federal review system for child welfare, which would allow penalties for misuse of funds.</p>	<p>1. The Secretary shall reduce amounts otherwise payable to a State under this section by any amount paid to the State under this section which an audit (see below) finds has been used in violation of this part. The Secretary, however, shall not reduce any quarterly payment by more than 25 percent.</p>
-For Failure to Submit Report		<p>2. The Secretary shall reduce by 3 percent the amount otherwise payable to a State under this section for a fiscal year if the State has not submitted a report required (see below) for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.</p>
F. Limitation of Federal Authority		<p>Except as expressly provided in this part, the Secretary may not regulate the conduct of States under this part or enforce any provision of this part.</p>
5. Child Protection Goals	<p>(See Summary of State Plan Requirements, attached)</p>	<p>The following standards are included in the bill to indicate what States must do to assure the protection of children and to provide guidance to the citizen review panels.</p>

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Item	Current Law	Subcommittee Proposal
-Child Protection		1. The primary standard by which child welfare system shall be judged is the protection of children.
-Prompt Investigation of Abuse	See summary of State plan requirements, attached.	2. The State shall investigate reports of abuse and neglect promptly.
-Permanency Plan		3. Children removed from their homes shall have a permanency plan and a dispositional hearing within 3 months after a fact-finding hearing.
-6-Month Review		4. All child welfare cases with an out-of-home placement shall be reviewed every 6 months unless the child is already in a long-term placement.
6 <u>Citizen Review Panels</u>	<i>New bureaucracy?</i>	
A. Establishment.	No provisions	Each State to which funds are paid under this part shall have <u>citizen review panels</u> .
B. Composition	No provisions	Each panel established shall be broadly representative of the community from which it is drawn.
C. Frequency of Meetings	No provisions	Each panel shall meet at least quarterly.
D. Duties		
-General	No provisions	1. Panels are charged with the responsibility

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Item	Current Law	Subcommittee Proposal
-Confidentiality	No Provisions	<p>for reviewing cases from the child welfare system to determine whether state and local agencies receiving funds under this program are carrying out activities in accord with the State plan, are achieving the child protection standards, and are meeting any other child welfare criteria that the panel considers important.</p> <p>2. The members and staff of any panel shall not disclose to any person or government any information about any specific case with respect to which the panel is provided information.</p>
State Assistance	No provisions	<p>3. Each State that establishes a panel shall afford the panel access to any information on any case that the panel desires to review, and shall provide the panel with staff assistance in performing its duties.</p>
Reports	No provisions	<p><u>Panels must produce a public report after each meeting and states must include information in their annual report detailing their responses to the panel report and recommendations (see below).</u></p>
7. Audits	<p>States must arrange for an independent audit of child welfare services under Titles IV-B and IV-E at least once every 3 years. Section 1123 of the Social Security Act requires the Secretary to establish by regulation a new Federal review system for child welfare.</p>	<p>Funds provided under this part to be audited in accordance with the Single Audit Act. Any funds spent for purposes other than those stated for this block grant will be repaid to the Federal government.</p>

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Item

Current Law

Subcommittee Proposal

3. Data Collection and Reporting

A. Annual State Data Reports

No specific child welfare data required; for foster care and adoption, States are required to submit statistical reports, as requested by the Secretary, on children receiving assistance subsidized by Title IV-E. In addition, Section 479 establishes a procedure intended to result in a comprehensive national data collection system on foster and adoptive children. Regulations to implement this system were published on Dec. 22, 1993, and Section 479 would not be repealed by the proposal.

Each State to which funds are paid under this part shall annually submit to the Secretary of Health and Human Services a report that includes the following annual statistics:

1. The number of children reported to the State during the year as abused or neglected.
2. Of the number of reported cases of abuse, the number that were substantiated.
3. Of the number of reported cases that were substantiated, (1) the number that received no services under the State program funded under this part; (2) the number that received family services under the State program funded under this part; and (3) the number removed from their families.
4. The number of families that received preventive services from the state.
5. Of the families receiving preventive services, the number of confirmed reports of abuse or neglect of a child.
6. The number of children who entered and exited foster care under the responsibility of the State.
7. Types of foster care placements made by State.
8. Average length of foster care placements made by State.

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9. The age, ethnicity, gender, and family income of children placed in foster care under the responsibility of the State.

10. The reasons for making foster care placements.

11. The number of children in foster care for whom the State has the goal of adoption.

12. The number of children in foster care under the responsibility of the State who were freed for adoption.

13. The number of children in foster care under the responsibility of the State who were adopted.

14. The number of disrupted adoptions in the State.

15. The number of children who re-entered foster care under the responsibility of the State.

16. The number of children in foster care under the responsibility of the State for whom there is a permanency plan.

17. The number of infants abandoned during the year, the number of these infants who were adopted, and the length of time between abandonment and legal adoption.

18. Quantitative measurements showing whether

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Current Law

Subcommittee Proposal

B. State Response to Citizen
Review Panels

No provision

C. Explanation of Transfer to
Other Block Grants

the State is making progress toward the child welfare goals certified by the State.

? { 19. Any other information which the Secretary and a majority of the States agree is appropriate to collect for purposes of this part.

In its annual report, the State shall include a response to the findings and recommendations of its citizen review panels.

If funds under this part were transferred to another block grant, the State shall include in its annual report an explanation of why such funds were transferred.

9. Effective Date

The amendments and repeals made by this title shall take effect on October 1, 1995.

Summary of State Plan Requirements Under Current Law

Title IV-B Child Welfare Services -- States must have a child welfare services plan developed jointly by the Secretary and State agency (subpart 1). With regard to family preservation and family support services (subpart 2), the plan must be jointly developed by the Secretary and State agency, after consultation with public and nonprofit private agencies and community-based organizations.

Under subpart 1, the State plan must: provide that the same State agency administers social services under Title XX and child welfare services under Title IV-B; provide for coordination with Title XX, AFDC, foster care, and other appropriate State programs; provide that child care funded under Title IV-B meets the same standards applied under Title XX; provide for training and use of paid paraprofessional staff and volunteers; describe services to be provided and geographic areas where services will be available; describe steps to be taken to provide child welfare services in additional areas of the State, to reach additional children in need of services, to expand the range of services provided, and staff development and training plans; provide for involvement of voluntary agencies in developing services; provide that reports will be submitted as required by the Secretary; and describe measures to be taken to comply with the Indian Child Welfare Act.

To receive their full allotment of "incentive" funds under subpart 1 of Title IV-B, States also must comply with the following, known as Section 427 protections: complete an inventory of children who have been in foster care at least 6 months; operate a statewide information system for tracking foster children; operate a case review system meeting specific requirements for foster children; operate a service program to return children to their families if appropriate or place them for adoption or another permanent arrangement; operate a preplacement preventive services program; review State procedures regarding abandoned children and implement policies and procedures to expedite placement of such children. (As of April 1, 1996, these provisions are to become State plan requirements, rather than incentives; see Penalties section below for explanation.)

Under subpart 2, the State plan also must: provide that the State child welfare agency also administers family preservation and family support services; set forth a 5-year statement of goals, assuring that progress toward meeting the goals will be reviewed, and a final progress report prepared and submitted to the Secretary; provide for coordination with related programs; assure that no more than 10 percent of subpart 2 funds will be used for administration, and remaining funds will be used for family preservation and family support, with significant portions of funds devoted to each; contain assurances that descriptions will be prepared annually, submitted to the Secretary and available to the public, of services to be provided, populations to be served, and geographic areas where services will be available; provide for proper and efficient administration of the plan; assure that Federal funds provided under this subpart will not supplant existing Federal or non-Federal funds and that compliance can be demonstrated to the Secretary upon request; and provide that reports will be submitted as required by the Secretary.

In the case of family preservation and family support plans submitted by Indian tribes, the Secretary may waive inappropriate plan requirements.

Title IV-E Foster Care and Adoption Assistance -- States must submit for the Secretary's approval a State Title IV-E plan, which must: provide for a foster care and adoption assistance program; provide that the same State agency administers parts B and E of Title IV; provide for statewide administration of the plan; assure coordination with AFDC, child welfare services under Title IV-B, social services under Title XX, and other Federal programs; provide that merit-based personnel standards will be used; provide that the State will submit reports as requested by the Secretary; provide for periodic evaluations of programs; provide that information about individuals assisted under the program will be disclosed only for certain specified purposes; provide that the State agency will report to an appropriate agency any known or suspected child abuse or neglect; provide for a State entity to establish standards for foster care; provide for periodic review of foster care standards and foster care and adoption assistance payment rates; provide for a fair hearing for any individual denied benefits; provide for an independent audit of Title IV-B and Title IV-E programs at least once every three years; provide goals for the maximum number of children who will be in foster care for more than 24 months, and describe steps to achieve these goals; provide that reasonable efforts will be

made, before removing a child from home, to prevent the need for removal, and to make it possible for the child to return home; provide for a case plan and case review, meeting specific requirements, for every foster child; and provide for cooperation with State child support agencies to collect payments on behalf of foster children.*

Child Abuse Prevention and Treatment Act -- To be eligible for State grant funds, States must have in effect a law with provisions for: reporting known and suspected child abuse and neglect, and providing immunity from prosecution for individuals who report child abuse or neglect. States also must provide for: prompt investigation of child abuse and neglect reports and immediate steps to protect the health and welfare of children where abuse or neglect is found; adequate administrative procedures, personnel, training, facilities and other services to effectively deal with child abuse and neglect; confidentiality of records and prompt disclosure of information to government entities when appropriate; cooperation of law enforcement officials, courts and State agencies; appointment of a guardian *ad litem* for any child involved in a judicial proceeding; no reduction in State support for child abuse and neglect activities below the level provided in FY1973; dissemination of information regarding child abuse and neglect; preferential treatment, where feasible, for parent organizations combating child abuse and neglect; and procedures or programs to respond to reports of medical neglect.

States also must submit a plan every four years to HHS containing information about intake and screening of child abuse and neglect reports; investigation of reports; case management and delivery of ongoing family services; general system enhancement; and innovative approaches at the State level related to child abuse and neglect.

*Note: The proposal re-establishes two requirements contained in this plan. These requirements, which would be retained under the subcommittee proposal, (1) require States to make reasonable efforts, before a child is placed in foster care, to prevent or eliminate the need for removal of the child from his home, and to make reasonable efforts for a child to return to his home; and (2) require States, where appropriate, to take all steps, including cooperative efforts with the State welfare agency and the State child support agency, to secure an assignment to the State of any child support rights on behalf of a child for whom the State is making foster care maintenance payments.

Ways and Means Committee
Markup Document for Welfare Reform
February 13, 1995

Restricting Welfare for Aliens
Title III--H.R. 4
Personal Responsibility Act

1. Ineligibility of Aliens for Public Welfare Assistance

With the exception of the refugee, alien, and current resident exceptions noted below, after the date of enactment of this Act noncitizens shall not be eligible for benefits under 34 means-tested programs (see list below).

2. Exceptions

a. Refugee Exception

An alien admitted to the U.S. under section 207 of the Immigration and Nationality Act will continue to be eligible for the programs on the attached list until 5 years after his date of arrival in the U.S.

b. Aged Exception

Noncitizens over the age of 75 who have been lawfully admitted for permanent residence and have resided in the U.S. for at least five years would not be denied eligibility for the programs on the attached list.

c. Current Resident Exception

With the exception of refugees and the aged as described above, noncitizens currently residing in the U.S. and eligible for the programs listed would remain eligible for benefits under the listed programs for no longer than 1 year after the date of enactment of this Act.

3. Programs for Which Noncitizens May Be Eligible

In order to help noncitizens improve their job preparation skills and to protect the health and safety of residents of the U.S., noncitizens would remain eligible for the following health,

immunization, and education and job training programs:

1. Emergency medical services
2. Stafford student loan program
3. Basic educational opportunity grants
4. Federal work study
5. Federal supplemental education opportunity grants
6. Federal Perkins loans
7. Grants to States for state student incentives
8. Grants and fellowships for graduate programs
9. Special programs for students whose families are engaged in migrant and seasonal farm work
10. Loans and Scholarships for Education in the Health Professions
11. Grants for Immunizations Against Vaccine-Preventable Diseases
- 12. Job Corps
- 13. Summer Youth Employment and Training
14. Programs of Training for Disadvantaged Adults under Title II-A and for Disadvantaged Youth under Title II-C of the Job Training Partnership Act

4. Programs for Which Noncitizens Are Ineligible

1. Medicaid
2. Maternal & Child Health Services Block Grant Programs
3. Community Health Center Services
4. Family Planning Methods and Services

5. Migrant Health Center Services
6. Supplemental Security Income
7. Food Assistance Block Grant Programs
8. Rental Assistance
9. Public Housing
10. Housing Loan Program
11. Housing Interest Reduction Program
12. Loans for Rental and Cooperative Housing
13. Rental Assistance Payments
14. Program of Assistance Payments on Behalf of Homeowners
15. Rent Supplement Payments on Behalf of Qualified Tenants
16. Loan and Grant Programs for Repair and Improvement of Rural Dwellings
17. Loan and Assistance Programs for Housing Farm Labor
18. Grants for Preservation and Rehabilitation of Housing
19. Grants and Loans for Mutual and Self-Help Housing and Technical Assistance
20. Site Loans Program
21. Grants for Screening, Referrals, & Education Regarding Lead Poisoning in Infants & Children
22. Title XIX-B subparts I and H Public Health Service Act
23. Title III Older Americans Act Programs
24. Title II-B Domestic Volunteer Service Act Programs
25. Title II-C Domestic Volunteer Service Act Programs

27. Weatherization Assistance Program
28. Social Services Block Grant Program (Title XX SSA)
29. Community Services Block Grant Act Programs
30. Legal Assistance under Legal Services Corporation Act
31. Emergency Food and Shelter Grants under McKinney Homeless Act
32. Child Care and Development Block Grant Act Programs
33. State Program for Providing Child Care (section 402(i) SSA)
34. Temporary Family Assistance Block Grant Programs
35. Child Care Block Grant Programs
36. Child Protection Block Grant Programs

5. Notification.

Each federal agency that administers a program from which noncitizens are to be disqualified must provide general notification to the public and program recipients of the eligibility changes.

6. State AFDC Agencies Required to Provide Information on Illegal Aliens to the INS

Agencies administering the Aid to Families with Dependent Children program must provide the name and address of illegal aliens with children who are citizens of the U.S. to the Immigration and Naturalization Service.

**8. State and Locality Ability to Restrict Benefits
For Noncitizens**

**9. Sense of Congress Regarding Ineligibility of
Certain Classes of Aliens for Public Welfare
Assistance**

available to the immigrant is made legally binding until the immigrant becomes a citizen (the agreements are not now legally binding and last for either 3 or 5 years).

States and their political subdivisions are authorized to follow the federal classification of United states citizens and aliens in determining eligibility for any State, local or municipal means-tested public assistance program.

Describes purposes, principles and policy reasons for proposed changes.

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House Passes 2 Revisions in Crime Law

GOP Legislation Authorizes \$10.5 Billion in Prison-Building Grants

By Kenneth J. Cooper
Washington Post Staff Writer

The House yesterday neared completion of a Republican rewrite of the 1994 anti-crime law by approving legislation to authorize \$10.5 billion in prison-building grants and faster deportation of illegal immigrants convicted of serious crimes.

The overwhelming votes sent the two bills to the Senate and cleared the way for House action next week on the final chapter of the GOP revision—\$10 billion in crime-fighting block grants that would wipe out funds now dedicated to police and prevention programs. House GOP leaders have postponed until May consideration of other legislation to repeal a new ban on some military-style assault weapons.

The prison bill, approved 265 to 156, would increase by \$2.5 billion the funds available to state and local governments to build or expand prisons. To get half the \$10.5 billion, officials would have to agree to imprison violent offenders for 85 percent of their sentences, a condition that few jurisdictions currently meet. Less stringent conditions would apply to the remaining funds.

The deportation bill, passed 380 to 20, would bring smugglers of illegal immigrants under expedited procedures in the 1994 law. The changes would target relatively few illegal immigrant felons, according to a

spokesman for the Immigration and Naturalization Service.

GOP sponsors said the prison bill would give states financial incentives to satisfy public opinion that favors locking up violent offenders longer. They currently serve an average of about 40 percent of their sentences, according to the House Judiciary Committee. What Republicans dub "truth in sentencing" would require states to commit to more than double the actual time served, but officials would have three years to implement the policy.

Democratic critics accused Republicans of hypocritically imposing on states the kind of federal constraints that GOP lawmakers have condemned in other legislation. The nation's governors have also opposed a federal requirement that violent offenders serve 85 percent of their sentences as too costly and inflexible.

States that sentence offenders to a range of years would have to show only that the average prison time for serious crimes exceeded the national average by at least 10 percent, an exception included at the urging of Senate Judiciary Chairman Orrin G. Hatch (R-Utah), whose state imposes such indeterminate sentences.

The 1994 anti-crime law authorized \$8 billion for prison-building with a flexible requirement that states produce a corrections plan and make progress toward incarcerating violent offenders longer. The

GOP would increase the prison funds by reducing funds available for other law enforcement programs, such as 100,000 new police, specialized drug courts and social programs designed primarily to steer young people away from crime.

Under an amendment approved on a voice vote, states could spend 15 percent of their grants to build local jails if they adopt federal policy on pretrial release of suspects in violent crimes. Rep. Frank Riggs (R-Calif.) said those suspects would have to appear before a "judicial officer" prior to release. Crowded jails in California, he said, have forced police to sometimes "cite and release" suspects without taking them before a magistrate.

Another amendment approved Thursday, sponsored by Rep. Dick Zimmer (R-N.J.), bars federal prison inmates from having televisions, computers, coffee pots and electronic musical instruments in their cells.

Earlier this week, the House passed GOP bills that mandate restitution be ordered in federal cases, allow some warrantless searches in federal trials and impose time limits on death row appeals.

Democrats, heeding public opinion, put up only token opposition to most of the anti-crime bills passed so far, but vowed an all-out fight next week on the block grants that undermine President Clinton's campaign promise to put 100,000 new police officers on the street.

Pentagon Told to Spend Study Money

Clinton Supports AIDS, Breast Cancer Research, Panetta Asserts

Associated Press

In a rare public scolding, the White House told the Pentagon yesterday not to hold up money earmarked for breast cancer and AIDS research.

Chief of Staff Leon E. Panetta released a letter he sent to Defense Secretary William J. Perry in which he said President Clinton was disturbed by a report the military might not spend \$180 million allocated for the research.

The Washington Post reported yesterday that \$30 million earmarked for AIDS research and \$150 million for breast cancer research might not be spent because the Pentagon did not consider them essential parts of the military's medical program.

The Pentagon's chief budget planner, appearing yesterday before the Senate Budget Committee, said the Clinton administration supports con-

tinued military financing for AIDS research.

Comptroller John Hamre said such research is proper because it is geared toward military needs in wartime. Because blood transfusions need to be conducted on the battlefield, an accurate AIDS test must be developed, he said.

However, Hamre said the Pentagon does not support the \$150 million provision for breast cancer research, which has been criticized as unrelated to the military. The comptroller said that money was added by Congress and was not part of the administration's plan.

Clinton, whose mother died of breast cancer last year, made clear his sentiments through Panetta.

"The president believes that research to combat these deadly diseases is vitally important to all Ameri-

cans, and it is of special significance to him," Panetta wrote. He said 46,000 women die of breast cancer each year and 40,000 Americans died of AIDS last year. "The president believes that we cannot afford to allow these tragic losses to continue," Panetta said. "And that is why breast cancer and AIDS research is a high priority for this administration."

White House spokeswoman Ginny Terzano acknowledged the public rebuke to Perry was a little unusual, but she said, "The president feels strongly about both of these issues and thinks financial support is important, and he wanted to reiterate that to Secretary Perry." Emphasizing the message was directed at Congress as well, she added the White House "feels it's important for those on Capitol Hill to know" the extent of Clinton's support.

Ways and Means Committee
Markup Document for Welfare Reform
February 13, 1995

Supplemental Security Income
Title IV--H.R. 4
Personal Responsibility Act

Item

Current Law

Subcommittee Proposal

1. Denial of SSI Benefits to Drug Addicts and Alcoholics

Under SSI program criteria, drug addiction and alcoholism by themselves constitute an impairment qualifying an individual for cash SSI benefits on the basis of disability. SSI law allows persons with a primary diagnosis of drug addiction and/or alcoholism to receive benefits if they meet program income and resource requirements. SSI law requires these recipients to have a representative payee, to participate in an approved treatment program when available and appropriate, and to allow their participation in a treatment program to be monitored.

P.L. 103-296 limits SSI benefits to 3 years for recipients whose primary disability is drug addiction or alcoholism. Medicaid benefits are to continue beyond the 3-year limit, as long as the individual remains disabled, unless he or she was expelled from SSI for noncompliance with treatment.

1. An individual shall not be considered disabled if his primary diagnosis is that he is addicted to alcohol or a drug.

2. Drug addicts and alcoholics without another disabling condition will lose cash SSI benefits and Medicaid coverage.

3. Part of the savings realized from denying cash SSI payments and Medicaid coverage to addicts and alcoholics will be block granted to States to provide additional drug treatment.

Item

Current Law

Subcommittee Proposal

2. General Restrictions on Eligibility for Cash and Other New Benefits

A needy child under age 18 who has an impairment of comparable severity with that of an adult may be considered disabled and eligible for SSI benefits. To be found disabled, a child must have a medically determinable physical or mental impairment that substantially reduces his or her ability to independently, and effectively engage in age-appropriate activities. This impairment must be expected to result in death or to last for a continuous period of not less than 12 months.

Under the disability determination process for children, individuals whose impairments do not meet or equal the "Listing of Impairments" in Federal regulations are subject to an individualized functional assessment. This assessment examines whether the child can engage in age-appropriate activities effectively. If the child cannot, he or she is determined disabled.

The Listing of Impairments describes, for each of the major body systems, impairments which are considered severe enough to prevent a person from doing any gainful activity. Within the listed impairments are all the physical and mental functional limitations, i.e., what a child cannot do as a result of an impairment, that are considered severe

"Comparable severity" test in statute for determining disability of children (defined as individuals under 18) will be repealed. "Individualized Functional Assessments" will no longer be grounds for determination of disability. Eligibility for cash benefits or new medical services will be based solely on the current Listings of Impairments set forth in the Code of Federal Regulations.

enough to prevent a child from functioning independently, appropriately, and effectively in an age appropriate manner.

3. Children Eligible for Cash SSI

See 2. above. If a child lives at home, the parents' financial resources are deemed available to the child. If the same child is institutionalized, after the first month away from home only the child's own financial resources are deemed to be available for the child's care. The child may then qualify for a reduced ("personal needs allowance) SSI benefit and for Medicaid coverage. Because of these "deeming" rules, some children who could have been cared for at home might remain in institutions because, if they were to return home they would lose Medicaid benefits. Medicaid "waivers" allow States to disregard the deeming rule (and thereby provide Medicaid coverage) and pay for support services to help families keep children at home.

4. Continuing Disability Reviews for Disabled Children Eligible for SSI Benefits

P.L. 103-296 requires the DHHS Secretary to conduct periodic continuing disability reviews (CDRs) of at least 100,000 disabled SSI recipients for a period of 3 years (i.e., FY 1996-1998).

Children will be eligible for cash SSI payments in one of two circumstances:

1. A child who is currently (defined as the during the month prior to first month for which this provision takes effect) receiving cash SSI payments by reason of disability will continue to be eligible for cash SSI benefits if the child suffers from an impairment specified in the Listings of Impairments cited above.

2. For all other children, a child may only receive cash SSI payments if the child suffers from an impairment described in the Listings of Impairments and is either in a hospital, extended care facility or intermediate care facility or otherwise would be required to be placed in such a facility if a parent or home health care provider were not providing full-time attention to the child.

At least once every 3 years States must conduct continuing disability reviews to redetermine the eligibility for SSI benefits for children who have not turned 18 and are receiving benefits.

Don't CDRs cost \$?

Item**Current Law****Subcommittee Proposal**

P.L. 103-296 also specifies that SSA must reevaluate under adult disability criteria the eligibility of at least one-third of SSI children who turn age 18 in each of the fiscal years 1996, 1997, or 1998 (the CDR must be completed before these children reach age 19). Federal law requires SSA to report on CDRs for children age 18 no later than Oct. 1, 1998.

For children who are eligible for benefits and whose condition cannot improve, the requirement to perform such reviews does not apply.

5. Applicability**a. General Rules**

No provision.

Generally, the provisions that apply to SSI benefits for children shall apply to cash benefits for months beginning 30 or more days after the date of enactment of this Act, without regard to whether regulations have been issued.

b. Delayed Applicability to Current SSI Recipients

No provision.

Individuals who were receiving cash SSI payments during the month in which this Act became law but who will not continue to receive cash payments because their disability is not among those in the Listing of Impairments described above will be eligible to continue receiving cash payments only during the first 6 months after the date of enactment of this Act.

Item	Current Law	Subcommittee Proposal
6. Regulations	No provision.	The Commissioner of Social Security shall issue regulations necessary to implement the provisions that apply to SSI benefits for children not later than 3 months after the date of enactment of this Act.
7. Notice	No provision.	Not later than 1 month after the date of enactment of this Act, the Commissioner of Social Security must notify individuals whose eligibility for continued SSI benefits will terminate because of the provisions of that apply to SSI benefits for children.
8. Block Grants for Medical and Non-Medical Benefits for Disabled Children		
a. In General	Generally, SSI children automatically are eligible for Medicaid benefits. Needy children who do not otherwise qualify for SSI may qualify for Aid to Families with Dependent Children (AFDC) benefits. All AFDC recipients automatically qualify for Medicaid benefits. In addition, States must provide Medicaid coverage to infants and children under age 6 in families with income below 133 percent of poverty. Moreover, States are required to provide Medicaid coverage to children under age 11 (in 1995, under age 19 in 2002) in families with income below 100 percent of poverty.	The Commissioner of Social Security shall make block grants available to States that apply for the purpose of providing specified medical and non-medical benefits for children who are determined to be physically or mentally impaired under the medical listings. Block grant funds will be available in FY 1997 and thereafter.

Item	Current Law	Subcommittee Proposal
b. Status as Direct-Spending Program		For eligible States (defined as States that submit an application for block grant funds) grants are an entitlement to States, not individuals.
c. Modifications in Authorized Expenditures of Grant		Modification in purposes for which block grant may be spent do not affect the amount of the entitlement to States.
d. Purpose of Grants		Grant must be spent to provide authorized services to qualifying children.
e. Authorized Services		States may decide which services may be provided to qualifying individuals using block grant funds by selecting from a list of authorized medical and non-medical services specified by the Commissioner of Social Security. The final list shall be issued by the Commissioner no later than January 1, 1996. The Commissioner shall ensure that services on the list are designed to meet the unique needs of qualifying children that arise from their physical and mental impairments, that medical and non-medical services are included, and that cash assistance is not available through the block grant.
f. Application for Grant		Grants may be made by the Commissioner to a State only if the State has submitted an application containing information, agreements, and assurances required by the Commissioner.

Item

Current Law

Subcommittee Proposal

g. Amount of Allotment

A State's allotment of block grant funds equals the product of 75 percent of the average cash SSI benefit in the State and the number of children in the State receiving non-cash SSI benefits under this section.

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Ways and Means Committee
Markup Documents for Welfare Reform
February 13, 1995

Temporary Family Assistance Block Grant
Title I--H.R. 4
Personal Responsibility Act

Note. Section 102 of the bill strikes all of Part A of Title IV of the Social Security Act except section 403(h) and section 417. Section 101, as outlined below, creates new Sections 401 (Purpose), 402 (Eligible State), 403 (Financing), 404 (Prohibitions), 405 (Data Collection) and 406 (Audits) of Title IV-A.

February 10, 1995 2:07 pm

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Item

Current Law

Subcommittee Proposal

1. Purpose

Encourage care of dependent children in own homes by enabling State to provide cash aid and services; maintain and strengthen family life; and help parents attain maximum self-support consistent with maintaining parental care and protection.

The purpose of the block grant is to provide states with funds to operate a program to provide aid to families with needy children so that children may be cared for in their homes or the homes of relatives, end dependence of needy parents on government aid, and discourage out-of-wedlock births.

2. Eligible State; State Plan

State plan must provide that state will operate child support plan in compliance with approved plan.

State must have approved plan for foster care and adoption assistance.

State must have approved plan for foster care and adoption assistance.

"Eligible State" is one that meets the following requirements:

1. Certification that State will operate a child support enforcement program;

2. Certification that State will operate a foster care and an adoption assistance program;

3. Certification that State will operate a child welfare program; and

4. State Plan Requirements (as follows)

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Item

Current Law

Subcommittee Proposal

3. State Plan Requirements

A State must have an approved State plan for aid and services to needy families containing 43 provisions, ranging from single-agency administration to overpayment recovery rules.

During the immediately preceding 3 years, the State must have submitted to the Secretary of Health and Human Services a plan outlining how the State intends to do the following:

-Provide Cash to Needy Children and Welfare-to-Work Activities to Parents

State plan is for aid and services. Aid is defined as money payments. For most parents without a child under 3, state JOBS programs must provide education, work, or training for the purpose of helping needy families with children avoid long-term welfare dependence.

1. Conduct a program designed to provide cash benefits to families with needy children and provide parents in these families with work experience, assistance in finding employment, and other work preparation activities to enable such families to leave the program and become self-sufficient.

-Work Requirement After 24 Months

No provision

2. Require parents who have received benefits for more than 24 months (whether or not consecutive) to engage in work activities (as defined by the State).

-Work Participation Standards

In FY95, 20% of employable adult recipients must participate in education, work, or training under JOBS, and at least one parent in 50% of unemployed-parent families must participate at least part time (16 hours weekly) in an unpaid work experience or other work program.

3. Require the following percentages of adult recipients of benefits under the program to engage in work activities in the following years:

<u>Fiscal year</u>	<u>Percentage:</u>
1996	2
1997	5
1998	10
1999	12
2000	14
2001	16
2002	18
2003 or thereafter	20.

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Item	Current Law	Subcommittee Proposal
-Interstate Immigrants	No provision	4. Treat interstate immigrants, if families including such immigrants are to be treated differently than other families.
-Privacy Protections	State must restrict disclosure of information to purposes directly connected to administration of program and to any connected investigation, prosecution, legal proceeding or audit.	5. Take reasonable steps to restrict the use and disclosure of information about individuals and families receiving benefits under the program.
-Reduce Out-of-Wedlock Births	Each State must offer family planning services to all "appropriate" cases, including minors considered sexually active. State may not require acceptance of these services.	6. Take actions to reduce the incidence of out-of-wedlock births; these actions may include providing unmarried mothers and fathers with services to avoid subsequent pregnancies, provide adequate care to their children, and become self-sufficient.
4. Grants to States for Family Assistance		
A. Entitlement	Entitlement to states. (Has also evolved into entitlement to individuals via court rulings.) Provides permanent authority for appropriations without limit for AFDC benefits, administration, and AFDC/JOBS child care. For benefits, child care, and JOBS, federal matching rates range from 79% to 50%. Matching for most administrative costs is 50%.	Each eligible State shall be entitled to receive from the Secretary for each fiscal year between 1996 and 2000 an amount equal to the State share of the family assistance amount for the year.

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Item

Current Law

Subcommittee Proposal

B. Definitions

-Family Assistance Amount No provision

1. "Family Assistance Amount" means \$15,355,000,000 for each fiscal year between 1996 and 2000.

-State Share No provision

2. "State share" means that for a given fiscal year the State will receive the same proportion of the family assistance amount as it received in AFDC funding under this section in FY 91-93 in comparison to the total AFDC payments to all States that year.

-State For AFDC, term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands and Guam. AFDC funds for last 3 are capped, and federal share is 75%. AFDC authorized but not implemented in American Samoa.

3. "State" includes the several states, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa.

C. Use of Funds

-General Rules AFDC funds to be used in conformity with State plan. State may replace caretaker relative with protective payee or guardian or legal representative.

1. A State to which funds are paid under this section may use such funds in any manner reasonably calculated to accomplish the purpose of this part.

-Interstate Immigrants No provision

2. In the case of families that have lived in a State for less than 12 months, States may provide them with the benefit level of the state from which they moved.

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Item	Current Law	Subcommittee Proposal
-Transferring Block Grant Funds	No provision	3. States may transfer up to 30 percent of the funds paid to the State under this section for activities under any or all of the following: (A) The child protection block grant program. (B) The social services block grants under title XX. (C) The food and nutrition block grant program. (D) The child care and development block grant program.
-State Rainy Day Account	No provision	4. States are allowed to establish an account using their block grant funds. The account may build up from year to year, and in any given year in which funds in the account reach 120% of that year's State share of the block grant under this part, the State may transfer the amount that exceeds 120% to the general revenue fund of the State.
D. Timing of Payments	Secretary is to make quarterly payments to States.	The Secretary shall make the payments required by this section on a quarterly basis.
E. Penalties		

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Item	Current Law	Subcommittee Proposal
-For Misuse of Funds	If Secretary finds that a State has failed to comply with State plan, she is to withhold all payments from the State (or limit payments to categories not affected by noncompliance).	1. The Secretary shall reduce the amounts otherwise payable to a State under this section by any amount granted to the State under this section which is used in violation of this part, but the Secretary shall not reduce any quarterly payment by more than 25 percent.
-For Failure to Submit Report	No specific penalty (general noncompliance penalty could apply).	2. The Secretary shall reduce by 3 percent the amount otherwise payable to a State for a fiscal year if the State has not submitted the report required by section 405 within 6 months after the end of the immediately preceding fiscal year.
-For Failure to Participate in the Income and Eligibility Verification System (IEVS)	States must have in effect an Income and Eligibility Verification System covering AFDC, medicaid, unemployment compensation, the food stamp program, and the programs of cash relief for needy aged, blind or disabled adults in the outlying areas.	3. The Secretary shall reduce by 1 percent the amount of a State's annual grant if the State fails to participate in the Income and Eligibility Verification System designed to reduce welfare fraud.
F. Limitation of Federal Authority		Except as expressly provided, the Secretary may not regulate the conduct of the States or enforce any provisions of this part.

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Item	Current Law	Subcommittee Proposal
5. Federal Rainy Day Loan Fund	No provision	The Federal government will establish a fund of \$1 billion modeled on the Federal unemployment account that is part of the unemployment compensation system. States may borrow from the fund if their total unemployment rate for any given 3 month period exceeds 6.5% and is at least 110% of the same measure in either of the previous 2 years. States must repay their loans, with interest, within 3 years.
6. Prohibitions		
-No Benefits to Family Without a Minor Child		1. Block grant funds may not be used to provide cash benefits to a family that does not include a minor child.
-No Duplicate Benefits	AFDC benefits may not be paid to a person receiving old-age assistance (predecessor to SSI now available only in the Commonwealth of Puerto Rico, Guam and U.S. Virgin Islands), a person receiving SSI, or a person receiving AFDC foster care payments.	2. Block grant funds may not be used to provide cash benefits to an individual receiving benefits from old-age assistance, foster care, or Supplemental Security Income.

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Item

Current Law

Subcommittee Proposal

-No Benefits for Non-Citizens

Legal aliens are eligible for 52 federal means-tested benefit programs. States must verify the immigration status of aliens with the Immigration and Naturalization Service. Verification system must cover AFDC (and Medicaid, Food Stamps, unemployment compensation, and the program of adult cash aid in the outlying areas. Federal matching funds pay 50% of the cost.

3. Block grant funds may not be used to provide cash benefits to a non-citizen unless the individual is a refugee under section 207 of the Immigration and Nationality Act who has been in the U.S. for under 5 years or a legal permanent resident over 75 who has lived in the U.S. at least 5 years.

-No Benefits for Out-of-Wedlock Births to Minors

No provision

4. Block grant funds may not be used to provide cash benefits to a minor child born out-of-wedlock to a mother under age 18 or to the mother (Medicaid and Food Stamps would continue). A "minor child" means an individual who is under 18, or an individual who is a full time student in a secondary school or in vocational or technical training who is under age 19.

-No Additional Benefits for Births to Families on Welfare

No provision (most States increase benefits for each new child; some have a standard maximum for large families)

5. Block grant funds may not be used to provide cash benefits for a child born to a recipient of cash welfare benefits under the program operated under this part, or an individual who received cash benefits at any time during the 10-month period ending with the birth of the child (Medicaid and Food Stamps would continue).

-No Benefits for Families on Welfare More Than 5 Years

No provision

6. Block grant funds may not be used to provide cash benefits for the family of an individual who, after attaining 18 years of

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Item

Current Law

Subcommittee Proposal

-No Benefits for Families
Not Cooperating on Child
Support

As a condition of eligibility, applicants or recipients must cooperate in establishing paternity of a child born out-of-wedlock, in obtaining support payments, and in identifying any third party who may be liable to pay for medical care and services for the child.

-No Benefits for Families
Not Assigning Child's
Claim Right to State

age, has received block grant funds for 60 months (whether or not successive) after the effective date of this part (Medicaid and Food Stamps would continue).

7. Block grant funds may not be used to provide cash benefits to a family with adults not cooperating with the state child support enforcement agency.

8. Block grant funds may not be used to provide cash benefits to a family with an adult who has not assigned to the State the child's claim rights against a noncustodial parent.

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Item

Current Law

Subcommittee Proposal

7. Data Collection And Reporting

States are required to report the average monthly number of families in each JOBS activity, their types, amounts spent per family, length of JOBS participation and the number of families aided with AFDC/JOBS child care services, the kinds of child care services, priorities for them, and sliding fee schedules. States that disallow AFDC for minor mothers in their own living quarters are required to report the number living in their parent's home or in another supervised arrangement.

Each State to which funds are paid under this part for a fiscal year are required, not later than 6 months after the end of the fiscal year, to transmit to the Secretary the following information on each family to which block grant benefits were provided during the fiscal year:

1. The number of adults in the family, and the relationship of the adults to each child in the family.
2. The number of children in the family and the age of each child.
3. The members of the family who are physically or mentally incapacitated.
4. The basis of the eligibility of the family for such assistance.
5. In the case of a 2-parent family, whether any adult in the family is unemployed.
6. In the case of a 1-parent family, whether the sole parent is a widow or widower, is divorced, is separated, or has never married.
7. The age, race, educational attainment, educational and training activities, and employment status of each parent in the family.

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Item

Current Law

Subcommittee Proposal

8. Audits

Secretary must operate a quality control system to determine the amount of erroneous AFDC payment by a State.

8. The earned income, welfare income, and other income of each member of the family.

9. The income of the family from each of the following:

(A) The program operated under this part.

(B) The food stamp program, WIC, or other federal food and nutrition block grant programs.

(C) Any federal housing program.

(D) Medicaid.

(E) Head Start.

10. The number of months the family has been on welfare during its current spell.

11. The total number of months for which benefits have been provided to the family under this part.

12. The age, education, and employment status of, and political subdivision of the State in which resides, any parent that does not reside with the family.

Funds provided under this part shall be audited in accordance with the Single Audit Act.

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Item	Current Law	Subcommittee Proposal
9. Continued Medicaid Eligibility	States must continue Medicaid (or pay premiums for employer-provided health insurance) for 6 months to family that loses AFDC eligibility because of hours of, or income from, work of the caretaker relative, or because of loss of the earned income disregard after 4 months of work. States must offer an additional 6 months of medical assistance, for which it may require a premium payment if the family's income after child care expenses is not above the poverty guideline. For extended medical aid, families must submit specified reports.	An individual who on enactment was receiving AFDC, was eligible for medical assistance under the State plan under this title, and would be eligible to receive aid or assistance under a State plan approved under part A of title IV but for the prohibition on grant funds being used to provide assistance to noncitizens, minor unwed mothers or their children, and children born to families already on welfare would continue to be eligible for Medicaid.
10. Child Support Audit Penalties	If a State's child support plan fails to comply substantially with Federal requirements, the Secretary is to reduce its AFDC matching funds (by percentages that rise for successive violations).	Transfer and Redesignation of Child Support Audit Penalties Provision
11. Assistant Secretary for Family Support	An Assistant Secretary for Family Support, appointed by the President by and with consent of the Senate, is to administer AFDC, child support and establishment of paternity, and the Jobs Opportunities and Basic Skills (JOBS) program.	Transfer and Redesignation of Assistant Secretary for Family Support Provision
12. Repeal JOBS Program	JOBS is Part F of Title IV of the Social Security Act.	Repeal JOBS Program (Part F of title IV of Social Security Act).

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Item

Current Law

Subcommittee Proposal

13. Other Conforming Amendments and Repealers

Numerous technical changes.

14. Effective Dates

No provision

The amendments and repeals made by this title shall take effect on October 1, 1995. The authority to temporarily reduce assistance for certain families that include a child whose paternity is not established (generally under this proposal, benefits may be reduced for up to 6 months) will begin 1 year after the effective date or, at the option of the State, 2 years after the effective date.

Rev. Sed

2/9/95 6:00pm

OLD

**Overview of Ways and Means Provisions
in the House Republican Welfare Reform Bill
February 1995**

- Title I: Block Grant for Temporary Assistance for Needy Families**
- Title II: Child Protection Block Grant**
- Title III: Restricting Welfare for Aliens**
- Title IV: Supplemental Security Income Reforms**
- Title V: Child Support Enforcement Reforms**

Title I: Block Grant for Temporary Assistance for Needy Families

1. Purposes.

- a. Provide assistance to needy families with children
- b. End the dependence of needy parents on government benefits by promoting work and marriage
- c. Discourage illegitimate births

2. Eligible states; State plan. States must submit the following to the Department of Health and Human Services and update the information every three years:

- a. A plan that contains an explanation of:
 - their program for providing cash benefits to needy families
 - their welfare-to-work program, including support services
 - how they are meeting the requirement of mandatory work after the family has been on welfare for 2 years (or less at state option)
 - how and whether they are meeting the requirement to place 2% of their caseload in work programs in 1996, rising to 20% by 2003 and thereafter
 - their program to reduce the incidence of illegitimate births
- b. A certification that the state will operate a child support enforcement program
- c. A certification that the state will operate a child protection program
- d. A certification that the state will operate a foster care and adoption program

3. Grants to states.

- a. The block grant money is an entitlement to states
- b. The amount of money in the block grant is \$15.355 billion each year between 1996 and 2000
- c. Each state receives the same proportion of the block grant each year as it received of AFDC spending in 1994
- d. Use of Funds:
 - in any manner reasonably calculated to accomplish the purposes (see above)
 - in the case of families that have lived in a state for less than 12 months, states may provide them with the benefit level of the state from which they moved
 - states may transfer up to 20% of the funds in any given block grant to other

block grants

- states may, for up to 6 months, pay a reduced benefit to a needy family with a child whose paternity has not been established
 - states are encouraged to implement an electronic benefit transfer system for providing benefits and are authorized to use block grant funds to set up and conduct such a system
- e. **Penalties.** States are subject to three possible penalties:
- if an audit determines that states have spent money on activities not consistent with the purpose of this legislation, the amount of misspent funds will be withheld from the state's payments during the following year (with the restriction that not more than 25 percent of a quarterly payment can be withheld)
 - the annual grant would be reduced by 3 percent if states fail to submit the performance data required within 6 months of the end of the fiscal year so that Congress can provide oversight
 - states would be fined 1 percent of their annual grant if they fail to participate in the Income and Eligibility Verification System designed to reduce welfare fraud
4. **Prohibitions.** Block grant funds cannot be used to provide:
- a. Benefits to a family that does not include a minor child
 - b. Benefits to an individual receiving benefits from old-age assistance, foster care, or Supplemental Security Income - *only*
 - c. Benefits to noncitizens unless the individual is a refugee who has resided in the U.S. for less than 5 years or is a legal resident over age 75 who has lived in the U.S. for more than 5 years
 - d. Cash benefits to a minor child born out of wedlock to a mother under age 18 or to the mother (Medicaid and Food Stamps would continue)
 - e. Cash benefits for additional children born to families already on welfare (Medicaid and Food Stamps would continue)
 - f. Cash benefits for families that have received block grant funds for 5 years (Medicaid and Food Stamps would continue)
 - g. Benefits to a family with adults not cooperating with the state child support enforcement agency
 - h. Benefits to a family with an adult who has not assigned to the state the child's claim rights against a noncustodial parent
5. **Data collection and reporting.** States are required to submit annual data on several important measures of their Temporary Assistance Block grant; e.g., the number of families receiving benefits, the earnings of families, other welfare benefits received by families, and the number of months on welfare

6. Audits. Each state must submit to an audit every second year under terms of the Single Audit Act

Title II: Child Protection Block Grant

1. Purpose. The purpose of funds provided to states in this block grant are to help states:
- Identify and assist families at risk of abusing or neglecting their children
 - Operate a system for receiving reports of abuse or neglect of children
 - Investigate families reported to abuse or neglect their children
 - Assist troubled families in providing the proper protection and nurture for their children
 - Support children who must be removed from or who cannot live with their families
 - Make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families
 - Provide for continuing evaluation and improvement of child protection laws, regulations, and services
2. Eligible states. In order to be eligible for block grant funds, states must:
- submit a written document to HHS that describes how they intend to pursue the purposes described above
 - certify that they have a state law requiring public officials and other professionals to report actual or suspected cases of abuse or neglect
 - certify that they have procedures for determining quickly whether a report of abuse or neglect is credible and for taking action if it is
 - certify that they have procedures for ensuring that children removed from their families for protection are placed in safe and nurturing settings;
 - certify that they have procedures for ensuring that children removed from their families have a written plan that specifies the goal for achieving a permanent placement, that the plan is reviewed every 6 months, and that information about the child is collected regularly and recorded in the case record
 - within three years of the date of passage, declare quantifiable goals of their child protection program and report quantifiable information on whether they are making progress toward achieving their goals

The Secretary of HHS can determine whether the state plan includes all of the elements reviewed above but cannot add new elements or review the adequacy of state procedures

3. Grants to states for child protection.
 - a. The block grant money is an entitlement to states for five years
 - b. The amount of money in the block grant is \$4.145 billion in 1996, \$4.308 billion in 1997, \$4.471 billion in 1998, \$4.631 billion in 1999, and \$4.789 billion in 2000
 - c. Each state receives the same proportion of the block grant each year as it received of payments to states by the federal government for child welfare programs in the average of the years 1991, 1992, and 1993
 - d. Use of funds. States can use block grant funds
 - in any manner reasonably calculated to accomplish the purposes (see above)
 - to transfer up to 20% of the funds in any given block grant to other block grants
 - e. Penalties. States are subject to two possible penalties:
 - if an audit determines that states have spent money on activities not consistent with the purpose of this legislation, the amount of misspent funds will be withheld from the state's payments during the following year (with the restriction that not more than 25 percent of a quarterly payment can be withheld)
 - the annual grant will be reduced by 3 percent if states fail to submit within 6 months required data reports
4. Child protection standards. These standards are included in the bill to indicate what states must do to assure the protection of children and to provide guidance to the citizen review panels:
 - a. The primary standard by which a state child welfare system shall be judged is the protection of children
 - b. Each state shall investigate reports of abuse and neglect promptly with due regard to the potential danger to children
 - c. Children removed from their homes shall have a permanency plan and a dispositional hearing by a court or a court-appointed body within 3 months after a fact-finding hearing
 - d. All child welfare cases with an out-of-home placement shall be reviewed every six months unless the child is already in a long-term placement
5. Citizen review panels.
 - a. States must have a least one citizen review panel for each metropolitan area of their state
 - b. Panel members must be broadly representative of the community from which they are drawn
 - c. Panels must meet at least quarterly

- d. Panels are charged with the responsibility of reviewing cases from the child welfare system to determine whether state and local agencies receiving funds under this program are carrying out activities in accord with the State plan, are achieving the child protection standards, and are meeting any other child welfare criteria that the panel considers important
 - e. Panels must produce a public report after each meeting and states must include information in their annual report detailing their responses to the panel report and recommendations
 - f. Panels must protect the confidentiality of individual cases
6. Audits. State expenditures are audited every second year; any funds spent for purposes other than those stated for this block grant will be repaid to the federal government
 7. Data collection and reporting. States must annually report an extensive set of data to the federal government. The information that must be reported includes the number of children reported as abused or neglected, the number of children removed from families, the number of families that received preventive services, the average length of stay in foster care, the number of children in foster care with a goal of adoption, and several additional performance measures. States must also include in their report a summary of the data measuring whether they are making progress toward their goals (see above), a summary response to the findings and recommendations of their citizen review panels, and, if funds were transferred to another block grant, an explanation of why the funds were transferred. The Secretary of HHS must prepare an annual report based on state reports and make the report available to both Congress and the public.

Title III: Restricting Welfare for Aliens

1. Ineligibility of aliens for most public welfare assistance. With the exceptions noted below, noncitizens are not eligible for 41 means-tested programs (see attached list)
2. In order to help noncitizens improve their job preparation skills, they remain eligible for eleven programs that provide educational or training services. Adult and children noncitizens are also eligible for emergency medical services and for immunizations against preventable diseases (see attached list); states can use their own funds to provide benefits to aliens as states see fit
3. Exceptions:
 - a. Refugees are not ineligible for means-tested programs until five years after their date of arrival in the U.S.

- b. **Noncitizens over the age of 75 who have lived in the U.S. for at least five years may also continue receiving welfare benefits**
4. **Current resident exception. The ineligibility for means-tested benefits of noncitizens currently living in the U.S. does not take effect until one year after the date of enactment of this bill**
5. **Notification. Each federal agency that administers a program from which noncitizens are to be disqualified must provide general notification to the public and program recipients of the eligibility changes**
6. **AFDC agencies required to provide information. Agencies administering the Aid to Families with Dependent Children program must provide the name and address of illegal aliens with children who are citizens of the U.S. to the Immigration and Naturalization Service**
7. **Sponsorship agreements. The document by which individuals agree to sponsor immigrants by making their income available to the immigrant is made legally binding until the immigrant becomes a citizen (the agreements are not now legally binding and last for either three or five years)**

Title IV: Supplemental Security Income Reforms

1. **Denial of SSI Benefits to Drug Addicts and Alcoholics.**
 - a. **An individual shall not be considered disabled if his primary diagnosis is that he is addicted to alcohol or a drug**
 - b. **As a result drug addicts and alcoholics lose SSI benefits and Medicaid coverage**
 - c. **Part of the savings realized will be block granted to States for drug treatment**
2. **SSI Benefits to Certain Children.**
 - a. **Restrictions on eligibility for cash benefits**
 - repeal "comparable severity" test for determining disability of children, so that eligibility for cash benefits or new medical services will be based on medical listings only, and not "individual functional assessment"
 - children currently receiving cash benefits because of a disability specified in the medical listings will continue to be eligible for cash benefits; however, children not already on SSI on enactment will only receive cash payments if institutionalized or otherwise would be in the absence of the cash payment
 - children considered disabled but not receiving cash benefits will be eligible for additional medical services provided through block grant described below

- b. At least once every 3 years States must conduct continuing disability reviews for children eligible for cash benefits (except those whose condition cannot improve)
- c. 6 month grace period for current SSI recipients
- d. Social Security shall issue regulations within 3 months of enactment
- e. Social Security must notify within 1 month those whose eligibility will terminate
- f. Block Grants for children with disabilities
 - Social Security to make grants; grants are an entitlement to States
 - remove individual entitlement to benefits
 - grants spent only on authorized medical and non-medical services for qualifying individuals
 - States decide which services from prescribed list may be paid for with grants
 - "qualifying individual" means a child who is either (1) eligible for cash SSI benefits under this title; or (2) who is not eligible for cash but is disabled by a condition in the medical listings
 - State grant based on number of children eligible for additional services

list
 by
 states
 choose
 from list

Outline

Programs for Which Aliens Would Be Ineligible:

1. Medicaid
2. Maternal & Child Health Services Block Grant Programs
3. Community Health Center Services
4. Family Planning Methods and Services
5. Migrant Health Center Services
6. AFDC
7. Child Welfare
8. SSI
9. Foster Care and Adoption Assistance
10. Food Assistance Block Grant Programs
11. Rental Assistance
12. Public Housing
13. Housing Loan Program
14. Housing Interest Reduction Program
15. Loans for Rental and Cooperative Housing
16. Rental Assistance Payments
17. Program of Assistance Payments on Behalf of Homeowners
18. Rent Supplement Payments on Behalf of Qualified Tenants
19. Loan and Grant Programs for Repair and Improvement of Rural Dwellings
20. Loan and Assistance Programs for Housing Farm Labor
21. Grants for Preservation and Rehabilitation of Housing
22. Grants and Loans for Mutual and Self-Help Housing and Technical Assistance
23. Site Loans Program
24. Grants for Screening, Referrals, and Education Regarding Lead Poisoning in Infants and Children
25. Block Grants for Preventive Health and Health Services
26. Title XIX-B subparts I and II Public Health Service Act
27. Programs of Training for Disadvantaged Adults under Title II-A and for Disadvantaged Youth under Title II-C of the Job Training Partnership Act
28. Job Corps Program
29. Summer Youth Employment and Training Programs
30. Older American Community Service Employment Act Programs
31. Title III Older Americans Act Programs
32. Title II-B Domestic Volunteer Service Act Programs
33. Title II-C Domestic Volunteer Service Act Programs
34. Low-Income Energy Assistance Act Program
35. Weatherization Assistance Program
36. Social Services Block Grant Program (Title XX SSA)
37. Community Services Block Grant Act Programs
38. Legal Assistance under Legal Services Corporation Act
39. Emergency Food and Shelter Grants under McKinney Homeless Act
40. Child Care and Development Block Grant Act Programs
41. State Program for Providing Child Care (section 402(i) SSA)

Programs for Which Aliens Would Remain Eligible:

1. Emergency medical services
2. Stafford student loan program
3. Basic educational opportunity grants
4. Federal work study
5. Federal supplemental education opportunity grants
6. Federal Perkins loans
7. Grants to States for state student incentives
8. Grants and fellowships for graduate programs
9. Special programs for students whose families are engaged in migrant and seasonal farm work
10. Loans and Scholarships for Education in the Health Professions
11. Grants for Immunizations Against Vaccine-Preventable Diseases

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Overview of Ways and Means Provisions
in the House Republican Welfare Reform Bill
February 10, 1995

Note. This is a draft document. The provisions are subject to change before February 13.

- Title I: Block Grant for Temporary Assistance for Needy Families
- Title II: Child Protection Block Grant
- Title III: Restricting Welfare for Aliens
- Title IV: Supplemental Security Income Reforms
- Title V: Child Support Enforcement Reforms

Title I: Block Grant for Temporary Assistance for Needy Families

1. Purposes.
 - a. Provide assistance to needy families with children
 - b. End the dependence of needy parents on government benefits by promoting work and marriage
 - c. Discourage illegitimate births
2. Eligible states; State plan. States must submit the following to the Department of Health and Human Services and update the information every 3 years:
 - a. A plan that contains an explanation of:
 - their program for providing cash benefits to needy families
 - their welfare-to-work program, including support services
 - how they are meeting the requirement of mandatory work after the family has been on welfare for 2 years (or less at state option)
 - how and whether they are meeting the requirement to place 2% of their caseload in work programs in 1996, rising to 20% by 2003 and thereafter
 - their program to reduce the incidence of illegitimate births
 - b. A certification that the state will operate a child support enforcement program
 - c. A certification that the state will operate a child protection program
 - d. A certification that the state will operate a foster care and adoption program
3. Grants to states.
 - a. The block grant money is an entitlement to states
 - b. The amount of money in the block grant is \$15.355 billion each year between 1996 and 2000
 - c. Each state receives the same proportion of the block grant each year as it received of AFDC spending between 1991 and 1993
 - d. Use of Funds:
 - in any manner reasonably calculated to accomplish the purposes (see above)

- in the case of families that have lived in a state for less than 12 months, states may provide them with the benefit level of the state from which they moved
- states may transfer up to 20% of the funds in any given block grant to other block grants
- states may, for up to 6 months, pay a reduced benefit to a needy family with a child whose paternity has not been established
- states are encouraged to implement an electronic benefit transfer system for providing benefits and are authorized to use block grant funds to set up and conduct such a system

e. Penalties. States are subject to three possible penalties:

- if an audit determines that states have spent money on activities not consistent with the purpose of this legislation, the amount of misspent funds will be withheld from the state's payments during the following year (with the restriction that not more than 25 percent of a quarterly payment can be withheld)
- the annual grant would be reduced by 3 percent if states fail to submit the performance data required within 6 months of the end of the fiscal year so that Congress can provide oversight
- states would be fined 1 percent of their annual grant if they fail to participate in the Income and Eligibility Verification System designed to reduce welfare fraud

4. Prohibitions. Block grant funds cannot be used to provide:

- a. Benefits to a family that does not include a minor child
- b. Benefits to an individual receiving benefits from old-age assistance, foster care, or Supplemental Security Income
- c. Benefits to noncitizens unless the individual is a refugee who has resided in the U.S. for less than 5 years or is a legal resident over age 75 who has lived in the U.S. for more than 5 years
- d. Cash benefits to a minor child born out of wedlock to a mother under age 18 or to the mother (Medicaid and Food Stamps would continue)
- e. Cash benefits for additional children born to families already on welfare (Medicaid and Food Stamps would continue)
- f. Cash benefits for families that have received block grant funds for 5 years (Medicaid and Food Stamps would continue)
- g. Benefits to a family with adults not cooperating with the state child support enforcement agency
- h. Benefits to a family with an adult who has not assigned to the state the child's claim rights against a noncustodial parent

5. Data collection and reporting. States are required to submit annual data on several important measures of their Temporary Assistance Block grant; e.g., the number of families receiving benefits, the earnings of families, other welfare benefits received by families, and the number of months on welfare
6. Audits. Each state must submit to an audit every second year under terms of the Single Audit Act

Title II: Child Protection Block Grant

1. Purpose. The purpose of funds provided to states in this block grant is to help states:
 - a. Identify and assist families at risk of abusing or neglecting their children
 - b. Operate a system for receiving reports of abuse or neglect of children
 - c. Investigate families reported to abuse or neglect their children
 - d. Assist troubled families in providing the proper protection and nurture for their children
 - e. Support children who must be removed from or who cannot live with their families
 - f. Make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families
 - g. Provide for continuing evaluation and improvement of child protection laws, regulations, and services
2. Eligible states. In order to be eligible for block grant funds, states must:
 - a. submit a written document to HHS that describes how they intend to pursue the purposes described above
 - b. certify that they have a state law requiring public officials and other professionals to report actual or suspected cases of abuse or neglect
 - c. certify that they have procedures for determining quickly whether a report of abuse or neglect is credible and for taking action if it is
 - d. certify that they have procedures for ensuring that children removed from their families for protection are placed in safe and nurturing settings;
 - e. certify that they have procedures for ensuring that children removed from their families have a written plan that specifies the goal for achieving a permanent placement, that the plan is reviewed every 6 months, and that information about the child is collected regularly and recorded in the case record
 - f. within three years of the date of passage, declare quantifiable goals of their child protection program and report quantifiable information on whether they are making progress toward achieving their goals

The Secretary of HHS can determine whether the state plan includes all of the elements reviewed above but cannot add new elements or review the adequacy of state procedures

3. Grants to states for child protection.
 - a. The block grant money is an entitlement to states for five years
 - b. The amount of money in the block grant is \$4.145 billion in 1996, \$4.308 billion in 1997, \$4.471 billion in 1998, \$4.631 billion in 1999, and \$4.789 billion in 2000
 - c. Each state receives the same proportion of the block grant each year as it received of payments to states by the federal government for child welfare programs in 1993
 - d. Use of funds. States can use block grant funds:
 - in any manner reasonably calculated to accomplish the purposes (see above)
 - to transfer up to 20% of the funds in any given block grant to other block grants
 - e. Penalties. States are subject to two possible penalties:
 - if an audit determines that states have spent money on activities not consistent with the purpose of this legislation, the amount of misspent funds will be withheld from the state's payments during the following year (with the restriction that not more than 25 percent of a quarterly payment can be withheld)
 - the annual grant will be reduced by 3 percent if states fail to submit within 6 months required data reports

4. Child protection standards. These standards are included in the bill to indicate what states must do to assure the protection of children and to provide guidance to the citizen review panels:
 - a. The primary standard by which a state child welfare system shall be judged is the protection of children
 - b. Each state shall investigate reports of abuse and neglect promptly with due regard to the potential danger to children
 - c. Children removed from their homes shall have a permanency plan and a dispositional hearing by a court or a court-appointed body within 3 months after a fact-finding hearing
 - d. All child welfare cases with an out-of-home placement shall be reviewed every six months unless the child is already in a long-term placement

5. Citizen review panels.
 - a. States must have a least one citizen review panel for each metropolitan area of their state

- b. Panel members must be broadly representative of the community from which they are drawn
 - c. Panels must meet at least quarterly
 - d. Panels are charged with the responsibility of reviewing cases from the child welfare system to determine whether state and local agencies receiving funds under this program are carrying out activities in accord with the State plan, are achieving the child protection standards, and are meeting any other child welfare criteria that the panel considers important
 - e. Panels must produce a public report after each meeting and states must include information in their annual report detailing their responses to the panel report and recommendations
 - f. Panels must protect the confidentiality of individual cases
6. Audits. State expenditures are audited every second year; any funds spent for purposes other than those stated for this block grant will be repaid to the federal government
7. Data collection and reporting. States must annually report an extensive set of data to the federal government. The information that must be reported includes the number of children reported as abused or neglected, the number of children removed from families, the number of families that received preventive services, the average length of stay in foster care, the number of children in foster care with a goal of adoption, and several additional performance measures. States must also include in their report a summary of the data measuring whether they are making progress toward their goals (see above), a summary response to the findings and recommendations of their citizen review panels, and, if funds were transferred to another block grant, an explanation of why the funds were transferred. The Secretary of HHS must prepare an annual report based on state reports and make the report available to both Congress and the public.

Title III: Restricting Welfare for Aliens

1. Ineligibility of aliens for most public welfare assistance. With the exceptions noted below, noncitizens are not eligible for nearly 40 means-tested programs (see attached list)
2. In order to help noncitizens improve their job preparation skills, they remain eligible for nearly 15 programs that provide educational or training services. Adult and children noncitizens are also eligible for emergency medical services and for immunizations against preventable diseases (see attached list); states can use their own funds to provide benefits to aliens as states see fit
3. Exceptions:

- a. Refugees are not ineligible for means-tested programs until five years after their date of arrival in the U.S.
 - b. Noncitizens over the age of 75 who have lived in the U.S. for at least five years may also continue receiving welfare benefits
4. Current resident exception. The ineligibility for means-tested benefits of noncitizens currently living in the U.S. does not take effect until one year after the date of enactment of this bill
 5. Notification. Each federal agency that administers a program from which noncitizens are to be disqualified must provide general notification to the public and program recipients of the eligibility changes
 6. AFDC agencies required to provide information. Agencies administering the Aid to Families with Dependent Children program must provide the name and address of illegal aliens with children who are citizens of the U.S. to the Immigration and Naturalization Service
 7. Sponsorship agreements. The document by which individuals agree to sponsor immigrants by making their income available to the immigrant is made legally binding until the immigrant becomes a citizen (the agreements are not now legally binding and last for either three or five years)

Title IV: Supplemental Security Income Reforms

1. Denial of SSI Benefits to Drug Addicts and Alcoholics.
 - a. individuals shall not be considered disabled if thier primary diagnosis is addiction to alcohol or drugs
 - b. As a result drug addicts and alcoholics lose SSI benefits and Medicaid coverage
 - c. Part of the savings realized will be block granted to States for drug treatment
2. SSI Benefits to Certain Children.
 - a. Restrictions on eligibility for cash benefits
 - repeal "comparable severity" test for determining disability of children, so that eligibility for cash benefits or new medical services will be based on medical listings only, and not "individual functional assessment"
 - children currently receiving cash benefits because of a disability specified in the medical listings will continue to be eligible for cash benefits; however, children not already on SSI on enactment will only receive cash payments if institutionalized or otherwise would be in the absence of the cash payment

- children considered disabled but not receiving cash benefits will be eligible for additional medical services provided through block grant described below
- b. At least once every 3 years States must conduct continuing disability reviews for children eligible for cash benefits (except those whose condition cannot improve)
- c. 6 month grace period for current SSI recipients
- d. Social Security shall issue regulations within 3 months of enactment
- e. Social Security must notify within 1 month those whose eligibility will terminate
- f. Block Grants for children with disabilities
 - Social Security to make grants; grants are an entitlement to States
 - remove individual entitlement to benefits
 - grants spent only on authorized medical and non-medical services for qualifying individuals
 - States decide which services from prescribed list may be paid for with grants
 - "qualifying individual" means a child who is either (1) eligible for cash SSI benefits under this title; or (2) who is not eligible for cash but is disabled by a condition in the medical listings
 - State grant based on number of children eligible for additional services

routine

ATTACHMENT

Programs for Which Aliens Would Be Ineligible:

1. Medicaid
2. Maternal & Child Health Services Block Grant Programs
3. Community Health Center Services
4. Family Planning Methods and Services
5. Migrant Health center Services
6. Supplemental Security Income
7. Food Assistance Block Grant Programs
8. Rental Assistance
9. Public Housing
10. Housing Loan Program
11. Housing Interest Reduction Program
12. Loans for Rental and Cooperative Housing
13. Rental Assistance Payments
14. Program of Assistance Payments on Behalf of Homeowners
15. Rent Supplement Payments on Behalf of Qualified Tenants
16. Loan and Grant Programs for Repair and Improvement of Rural Dwellings
17. Loan and Assistance Programs for Housing Farm Labor
18. Grants for Preservation and Rehabilitation of Housing
19. Grants and Loans for Mutual and Self-Help Housing and Technical Assistance
20. Site Loans Program
21. Grants for Screening, Referrals, and Education Regarding Lead Poisoning in Infants and Children
22. Block Grants
23. Title XIX-B subparts I and II Public Health Service Act
24. Title III Older Americans Act Programs
25. Title II-B Domestic Volunteer Service Act Programs
26. Title II-C Domestic Volunteer Service Act Programs
27. Low-Income Energy Assistance Act Program
28. Weatherization Assistance Program
29. Social Services Block Grant Program (Title XX SSA)
30. Community Services Block Grant Act Programs
31. Legal Assistance under Legal Services Corporation Act
32. Emergency Food and Shelter Grants under McKinney Homeless Act
33. Child Care and Development Block Grant Act Programs
34. State Program for Providing Child Care (section 402(i) SSA)

Programs for Which Aliens Would Remain Eligible:

1. Emergency medical services
2. Stafford student loan program
3. Basic educational opportunity grants
4. Federal work study
5. Federal supplemental education opportunity grants
6. Federal Perkins loans
7. Grants to States for state student incentives
8. Grants and fellowships for graduate programs
9. Special programs for students whose families are engaged in migrant and seasonal farm work
10. Loans and Scholarships for Education in the Health Professions
11. Grants for Immunizations Against Vaccine-Preventable Diseases
12. Job Corps
13. Summer Youth Employment and Training
14. Programs of Training for Disadvantaged Adults under Title II-A and for Disadvantaged Youth under Title II-C of the Job Training Partnership Act