Decision Points: Issues Arising During First 2 Years-JOBS Determinations requiring hearing/dispute resolution

A. Establishing the Relationship-Reciprocal Responsibility Document

- How can we ensure that the person doing the intake is both clear in laying out expectations while also conveying a sense of the supportive role that the agency will play?

B. JOBS Status Determination (JOBS Prep)

- Placement in JOBS prep is determined by specified categories

- Case workers should be required to inform recipients about JOBS Prep categories and how to determine whether s/he qualifies

- Recipients denied JOBS Prep should be able to request a hearing

- Recipients in JOBS Prep would not be allowed to challenge determinations, but could volunteer for JOBS

C. Employability Plan Development

- The process needs to accomplish three things; create a realistic plan; give the recipient a sense of ownership in the plan; and be fair in terms of giving recipients the opportunity to acquire skills that will enable them to obtain reasonably paying jobs consistent with the recipient's abilities -- within a maximum time period.

- The employability plans are key; failure to receive services specified in the plan will partially determine if a recipient receives an extension.

- The procedures for establishing and reviewing these plans are critical. These procedures should stress mutuality, with recipients being given the chance to have a meaningful role in determining the elements of the plan. The plans should be developed jointly.

- To ensure that reasonable processes are followed, the Department should be required to establish regulations regarding process in the event of disputes between the recipient and agency. Options:

a) The agency could be allowed (required) to establish an internal review board to resolve disputes. (This process would be similar to that developed in Florida's and Iowa's § 1115 demonstrations.) This Board would have the final say. The Department would establish regulations for such boards.

b) Agencies could be given the option to employ trained teams to mediate, rather than arbitrate as in option a, the dispute.

c) The recipient could be entitled to a fair hearing, contesting whether the plan meets the general criteria established by the state for developing employability plans. A fair hearing could be the exclusive remedy or could be allowed in addition to the procedure in (a) or (b).

- The need for child care, and the appropriate type of care, should be part of the employability plan.

D. JOBS Assignments

- The regulations specify a number of factors that must be taken into account in making a JOBS assignment. These factors should be included in the employability plan.

E. Receipt of JOBS Services

- Review should not await a crisis, and fair hearings often involve far too much delay. This is an inadequate mechanism to make the system work.

- Regular contact between a caseworker and the recipient, mandatory periodic reviews of the participant's progress and up-dating of the employability plan, specified record-keeping requirements on the agency, and a conciliation process for resolving disputes about the adequacy of performance of both the recipient and the agency are all needed. The following requirements might be adopted to achieve this:

a) a form could be sent to the recipient on a monthly/periodical basis (e.g., as an attachment to the monthly check) asking if he/she is participating; is getting the necessary services; or if he/she wants to discuss the plan/services with a caseworker. Workers would contact recipients indicating problems.

b) Caseworkers should be required to make monthly (quarterly) entries in the casework file indicating what services are being provided to the recipient. This would be based on contact with the actual providers of the services. Copies of notices to the recipient of any failures should be kept as a regular part of the case record.

c) At least, every 6 months the caseworker and the recipient must conduct a face to face review of whether the employability plan is still appropriate, whether the individual is participating, and whether services are being provided. A revised plan should be developed as needed (following the same procedures as the original plan.)

d) As a last resort, recipients should be able to request a fair hearing if they believe that the agency is not providing agreed upon services.

F. Sanctions

- Conciliation is required. Failures in participation should be an event that triggers exploration of why there is a problem.

G. Extensions

- Case workers must make a determination as to whether a recipient is eligible for an extension or not, and if not, that a fair hearing process is available.

- Recipients who believe they are entitled to an extension but are not granted one should be entitled to request a fair hearing. The hearing would be based on the elements in the employability plan and to what degree the State met its obligations.

- Determinations that favor the client should result in a revised employability plan.

WR-SPECS
JOBS-Time Limits

TIME-LIMITING ASSISTANCE

Current Law

The AFDC program provides cash assistance to households in which needy children have been deprived of parental support (Section 401, Social Security Act), including two-parent households in which the principal earner is unemployed (AFDC-UP program, Section 407). Operating within broad Federal guidelines, States set standards used to determine need and payment. In order to be eligible for AFDC, the household's gross income cannot exceed 185 percent of the State's need standard (Section 402(a)), its countable income must be less than the need standard, and the total value of its assets must be below the limit set by the State.

The cash assistance is provided to, and accounts for the needs of, the parent(s) or other caretaker relative, as well as the dependent children (Section 402(a) and others, Social Security Act). Some States (those which did not have an AFDC-UP program in place as of September 26, 1988) are permitted to place a type of time limit on participation in the AFDC-UP program, restricting eligibility for AFDC-UP to 6 months in any 12-month period (Section 407(b)). Thirteen states presently impose time limits on AFDC-UP eligibility. Under current law, however, no other type of time limits may be placed on participation in the AFDC program.

Vision

Most of the people who enter the welfare system do not stay on AFDC for many years consecutively. It is much more common for recipients to move in and out of the welfare system, staying a relatively brief period each time. Two out of every three persons who enter the welfare system leave within two years and fewer than one in five spends five consecutive years on AFDC. Half of those who leave welfare, however, return within two years, and three of every four return at some point in the future. Most recipients use the AFDC program not as a permanent alternative to work, but as temporary assistance during times of economic difficulty.

While persons who remain on AFDC for long periods at a time represent only a modest percentage of all people who ever enter the system, however, they represent a high proportion of those on welfare at any given time. Although many face very serious barriers to employment, including physical disabilities, others are able to work but are not moving in the direction of self-sufficiency. Most long-term recipients are not on a track toward obtaining employment that will enable them to leave AFDC.

The proposal would impose, on adults, a cumulative time limit of two years on the receipt of cash assistance, with deferrals of and extensions to the time limit to be granted under certain circumstances. Months in which a recipient was working part-time would not count against the time limit. The two-year limit would be renewable--once an individual left welfare, he or she would begin to earn back eligibility for assistance.

The two-year time limit is part of the overall effort to shift the focus of the welfare system from disbursing funds to promoting self-sufficiency through work. This time limit gives both recipient and the welfare agency a structure that necessitates steady progress in the direction of employment and economic

independence. As discussed elsewhere, recipients who reach the two-year time limit without finding a private sector job will be offered publicly subsidized work assignments to enable them to support their families.

1. Definition of Time Limit

(a) The time limit would be a limit of 24 on the cumulative number of months of cash assistance an individual could receive while not deferred from the JOBS program. Months in which an individual was receiving assistance but was deferred from the JOBS program (not required to participate) would not count against the 24-month time limit.

2. Applicability of Time Limits

(a) The time limit would apply to parents (for treatment of teen parents, see Teen Parents below). A record of the number of months of cash assistance received would be kept for each individual subject to the time limit. Caretaker relatives would not be subject to the time limit.

In a two-parent family, both parents would be subject to the time limit, provided neither parent was deferred from JOBS. The family would continue to be eligible for benefits so long as one of the two parents had not reached the time limit for transitional assistance.

EXAMPLE: A single father with two children who came onto the rolls twelve months ago marries a woman with no children and no prior welfare receipt. Both are required to participate in JOBS. The family at this point is eligible for twenty-four months of benefits. The marriage does not go well and they separate after ten months. The father and his children at this point are eligible for only two more months of cash assistance. If, on the other hand, the two had remained together, the family would have been eligible for fourteen more months of cash benefits.

Under current law, the second parent in a two-parent family is not exempted from participation in JOBS. If, however, a State chose to defer the second parent from JOBS, the second parent would not be subject to the time limit. The second parent would then be treated as any other deferred recipient--counted toward the maximum number of adult recipients a State is permitted to defer (see Deferrals and Extensions below). In such an instance, a two-parent family could be eligible for as many as 48 months of cash assistance, as opposed to 24 for a single-parent family. Again, this would only be the case if the second parent were deferred from the JOBS program.

RATIONALE: While the provision described above might be interpreted to favor two-parent families over single-parent households, its intent is actually to equalize treatment of one and two-parent families. Applying the time limit to a parent in a two-parent family who did not have access to JOBS services (due to deferral) but not to a deferred parent in a one-parent family would constitute, to some extent, a bias against two-parent families. NOTE: If a second parent were officially deferred but nonetheless participated in the JOBS program (i.e., as a volunteer) that second parent would be subject to the time limit.

3. Teen Parents

(a) All teen parents would be required to participate in JOBS and would be subject to the 24-month time limit. The clock would begin to run upon receipt of assistance as a custodial parent.

(b) Teen parents who would otherwise have reached the time limit would receive an automatic extensions to age 18 (19 if enrolled in high school). These extensions would not be counted against the cap on extensions. Teen parents who received the automatic extension would still be eligible for the standard extensions (see Deferrals and Extensions below).

(c) Teen parents who had reached the time limit, extensions notwithstanding, would be permitted to enroll in job search (and continue receiving cash benefits) for up to 3 months before entering the WORK program.

4. Deferrals and Extensions

Deferrals would be for persons who had not yet reached the 24-month time limit, while extensions would be for individuals who had reached the limit.

Deferrals

(a) Adult recipients could be deferred from participation in the JOBS program either prior to or after entry into the program. For example, if an individual became seriously ill after entering the JOBS program, he or she could be deferred at that point. Months in which a recipient was deferred from the JOBS program would not count against the time limit.

EXAMPLE: An individual applies for cash assistance in January of 1996. She and her caseworker design an employability plan in March of 1996 and she begins participating in the JOBS program activities in the plan. In September 1996, her father becomes seriously ill and she is needed in the home to care for him. At that point, she is deferred from JOBS participation. Her deferment lasts for eleven months, until August 1997, when her father recovers and no longer requires full-time care. As of August 1997, she is eligible for 16 more months of cash assistance. She re-enters the JOBS program and reaches the 24-month time limit in November 1998. At that point, however, she is only four months from completing her Licensed Practical Nurse (LPN) training. She is then granted a 4-month extension to finish her LPN training.

(b) Deferral policy would take the following form:

A parent of a child under one, provided the child was born either prior to or within 10 months of the family's most recent application for assistance, would

be deferred from participation in the JOBS program. A parent of a child born more than 10 months after the most recent application for assistance would be deferred for a 120-day period following the birth of the child.

States would be permitted, in addition, to defer up to 20% of all adult recipients under the following criteria or for good cause as determined by the State:

(1) Illness, including mental illness, incapacity or advanced age;
(Same as current law)

(2) Needed in the home to care for another member of the household who is ill or incapacitated;
(Same as current law)

(3) Second or third trimester of pregnancy; and
(Same as current law)

(4) Living more than two hours round-trip travel time (by public transportation or by car, whichever is applicable) from the nearest JOBS program site or activity.
(Same as current law, specifically CFR 250.30.5)

(c) When appropriate, those deferred from the JOBS program would be required to engage in activities intended to prepare them for the JOBS program. The employability plan for a deferred recipient would detail the steps, such as finding permanent housing or obtaining medical care, needed to enable him or her to enter the JOBS program.

Recipients not likely to ever participate in the JOBS program (e.g., those of advanced age) would not be required to engage in pre-JOBS activities, but would have access to pre-JOBS services. For individuals whose deferral is expected to end shortly in any event (e.g., mothers of young children), pre-JOBS activities would be intended to address barriers, if any, to successful participation in JOBS.

The pre-JOBS phase would not be as service-intensive as the JOBS program. States would not be required to guarantee child care or provide other supportive services for persons in the pre-JOBS phase. Monitoring would be relaxed considerably relative to JOBS. States would, however, have the option to sanction persons in the pre-JOBS phase for not following through with the steps in the employability plan.

RATIONALE FOR PRE-JOBS: Requiring at least a modest number of recipients deferred from JOBS to participate in pre-JOBS activities would encourage States to devote some attention to deferred persons. Moreover, a pre-JOBS phase might, to some

extent, assuage concerns about the magnitude of the deferral rates.

Extensions

(a) States would be required to grant extensions to persons who reached the time limit without having adequate access to the services specified in the employability plan. In instances in which a State failed to substantially provide the services, including child care, called for in the employability plan, the recipient would be eligible for an extension equal to the number of months needed to complete the activities in the employability plan (up to a limit of 24 months).

States would also be permitted to grant extensions of the time limit under the circumstances listed below, up to a total of 10% of adult recipients (persons granted extensions due to State failure to deliver services, as discussed above, would be included under the 10% cap).

(1) For completion of high school, a GED program or other certificate-granting training program or educational activity expected to enhance employability, provided the individual is making satisfactory progress toward attaining a diploma or completing the program (extension limited to 24 months).

(2) For completion of post-secondary education, provided the individual is enrolled in a work-study program or otherwise employed at least part-time and is making satisfactory progress toward attaining a degree (extension limited to 24 months).

(3) For some persons who are learning disabled, illiterate or who face other substantial barriers to employment. This would include a seriously learning disabled person whose employability plan to date has been designed to overcome that obstacle and who consequently has not yet obtained the job skills training needed to secure employment (extension not limited in duration). These decisions would be made on a case-by-case basis.

(b) States would be required to continue providing supportive services as needed to persons who had received extensions of the time limit.

5. Part-Time Work

(a) Part-time work (for persons receiving cash assistance) would be treated as distinct from both participation in the JOBS program and deferral from the JOBS program.

(b) An individual working an average of 20 or more hours per week or earning at least $400 during the month would not be required to participate in the JOBS program but would not be considered deferred for purposes of calculating the percentage of adult recipients deferred.

States would have the option of requiring parents of children 6 and over to work at least 25 hours per week in order to be considered working part-time.

(c) Months in which an individual worked part-time, as defined here, would not be counted against the time limit. Persons working part-time would be permitted to volunteer for the JOBS program. Months in which an individual was working part-time and participating in the JOBS program would be counted against the time limit.

(d) State participation standards would be expressed as the percentage of adult recipients who were either in the JOBS program or working part-time.

6. Earning Back Eligibility

(a) Persons who had left the cash assistance program would earn back eligibility for months of cash assistance at a rate of one month of cash assistance eligibility for every four months during which the individual did not receive cash assistance and was not in the WORK program. The total months of assistance for which a person was eligible at any time could never exceed 24.

EXAMPLE: An individual applies for assistance for the first time in January 1997, is not deferred from the JOBS program and enters a JTPA in-class vocational training program in March 1997. She obtains a private sector position and leaves the JOBS program in December of 1997. At that point, she is eligible for 13 months of cash assistance. Two years later, she is laid off from her job and is unable to find another. She re-applies for assistance in February 2000, 26 months after leaving welfare. At this point, she has earned back 6.5 months of cash assistance (26 total months divided by 4), which, when added to the original 13 months, gives her 19.5 months of eligibility remaining.

NOTE: A generous earn-back provision could contribute to minimizing the number of people re-entering the WORK program.

(b) Persons who left the WORK program would also be able to earn back months of cash assistance, just as described above. States would have the option of enrolling WORK program re-entrants in job search for up to 3 months before placing them on the waiting list for WORK assignments (WORK program re-entrants would be eligible for cash benefits while participating in job search).

(c) States would be permitted to design alternate methods of allowing persons to earn back months of assistance.

7. Job Search/Transition to Work

(a) Persons would be required to engage in job search during a period of not less than 45 days (up to 90 days, at State option) before taking a WORK assignment. In most cases, the job search would be performed during the 45-90 days immediately preceding the end of the time

limit. An individual who reached the time limit without having finished the 45-90 days of job search would not be eligible for a WORK assignment until the required period of job search was completed.

(b) Persons who through no fault of their own did not complete the required period of job search before reaching the time limit would continue to be eligible for cash benefits while finishing the 45-90 days. Individuals who refused to participate in required job search, either before or after reaching the time limit, would not be able to receive cash benefits while completing the job search period.

(c) States would have the option of providing additional months of cash assistance to individuals who found employment just as their eligibility for cash assistance ended, if necessary to tide them over until the first paycheck.

EXAMPLE: January is the last month in which a recipient is eligible for cash benefits. At the end of January, he finds a job. He will not, however, receive his first paycheck until the end of February. The State would have the option of issuing a benefit check for the month of February, even though he reached the time limit in January.

(d) At State option, persons who had left the JOBS program for work would still be eligible for selected JOBS services, including case management.

(e) States would be required to continue providing transitional Medicaid benefits as under current law; States would be relieved of this requirement only if and when universal health care coverage were guaranteed within the State.

WR SPECS
(Jobs-Time Limits)

B. IMPROVING ACCESS TO MAINSTREAM EDUCATION, TRAINING AND SELF-EMPLOYMENT OPPORTUNITIES

Current law

Under the Family Support Act, the Governor of each State is required to ensure that program activities under JOBS are coordinated with JTPA and other relevant employment, training, and educational programs available in the State. Appropriate components of the State's plan which relate to job training and work preparation must be consistent with the Governor's coordination plan. The State plan must be reviewed by a coordinating council.

Vision

The mission of the JOBS program will not be to create a separate education and training system for welfare recipients, but rather to ensure that they have access to and information about the broad array of existing programs in the mainstream system. The JOBS program needs to be redesigned to permit States to integrate other employment and training programs into the JOBS program, and to implement "one-stop shopping" education and training programs. Under current law, states are required to coordinate their JTPA and JOBS programs. The quality of those linkages varies considerably. Existing barriers are statutory and traditional; others are regulatory and policy. The barriers to better coordination need to be examined and addressed.

ISSUES

ISSUE 1: **Should we consider changes in AFDC policy to better accommodate participation in other training and education programs through such mechanisms as a more generous disregard policy for stipends, training wages, etc.**

ISSUE 2: **What is the authority of the Human Resource Investment Councils (HRICs) and how will these bodies interact with the Department of HHS and other Federal agencies?**

ISSUE 3: **How will such a board be comprised and selected?**

OPTION 1: The Department of Labor has proposed the creation of a Human Resource Investment Council (HRIC) at the Federal level to be a counterpart of the HRICs established at the local/State level. The purpose of this council could be to act as a mechanism to integrate the JOBS and JTPA programs and to increase linkages with other related programs. HRICs could act as an interagency body to consider waiver requests. The Department of Labor proposes that the HRIC would have responsibility for:

(1) developing an overall human investment strategy and plan;
(2) consider and establish criteria upon which to evaluate and approve waivers from States which facilitate integrated service delivery among the principle Federal job training programs;
(3) developing integrated staff training and capacity building;

(4) setting common definitions and administrative requirements among programs;
(5) setting common outcome measures;
(6) developing common reporting systems;
(7) promoting common eligibility determination;
(8) overseeing evaluations;
(9) suggesting regulatory and legislative changes to promote joint program operation and facilitate coordination; and
(10) establish objective criteria to evaluate and measure interagency efforts to improve Federal program linkages and coordination.

NOTE: The Department of Education has responded to this proposal. They view such a council as a positive endeavor, but (1) not as part of welfare reform, and (2) a multi-agency coordinating council should address not only welfare and welfare recipients, but broader national workforce issues. They propose the scope of the council should also include:

(1) articulation of a national workforce preparation and national self-sufficiency agenda that focuses on improving the access to and the quality of teaching and learning in education and training programs;
(2) administrative requirements, performance measures, eligibility requirements, sub-contracting standards and evaluative instruments;
(3) design and implementation of inter-agency trouble shooting teams; and
(4) collaboration with the private sector.
(5) Membership would include Labor, Education, HHS, OMB, and Defense.

ISSUE: DOEd further states that on the State level, the vocational educational community has had concerns regarding the State HRICs.

OPTION 2: Secretaries of HHS, Labor, and Education shall plan and coordinate education and training programs to encourage participation of JOBS participants and simplifies eligibility for such programs. A waiver board shall be assembled to examine eligibility issues and make recommendations to promote expanded participation, coordinated programs, and simplified and standardized eligibility. Included in such programs shall be:
(1) Pell Grant;
(2) JTPA;
(3) apprenticeship programs; and
(4) JOBS programs.

NOTE: **Options 3 and 4 were furnished by DOL and involve full integration of JOBS and JTPA.**

OPTION 3: **Full Integration of JOBS-JTPA:** Run a fully integrated JOBS and JTPA program, co-located at the service delivery area, with one-stop arrangements for JOBS participants and JTPA Title II-A participants. Governors of each State would designate which agencies were responsible for administration. (The IV-A agencies

would not have automatic responsibility.) States would have flexibility to include additional services for target populations in addition to basic services. Basic core services provided would include:

(1) information on career, jobs, education training opportunities, and support services;
(2) eligibility assessment;
(3) testing and assessment;
(4) counseling;
(5) job search assistance (group and individual); and
(6) job placement.

Intensive services either on-site or brokered would include:

(1) drop-in child care;
(2) education;
(3) training;
(4) work experience; and
(5) supportive services.

OPTION 4: **Joint planning and administration between JOBS and JTPA:** Under this option, the Governor of each State could require a joint plan from the two agencies indicating how responsibilities would be sorted out for the 2 year transitional period and the post-transitional period. Current law specifies joint review of plan; joint sign-off would be substituted.

Drafting Specs

1. **COORDINATED EFFORTS**

(a) Department of Education proposes: Amend the language in SSA section 483(a) which requires that there be coordination between JTPA, JOBS and education programs available in the State to specifically require coordination with the Adult Education Act and Carl D. Perkins Vocational Educational Act. More detail

(b) Department of Education proposes: The State JOBS plan must be consistent basic literacy and job training goals and objectives of the plans required by the Adult Education Act and the Carl D. Perkins Vocational Education Act.

(c) Department of Education proposes: Require employability plan to contain explicit consideration of basic literacy and employment skills. Low Already

(d) Department of Education proposes: enhanced case management services be available to participants to maximize coordination of services. NO

Mandate inventory?

C. CONSOLIDATING THE FNS EMPLOYMENT & TRAINING PROGRAM

FNS staff have provided the following options for our consideration for inclusion as part of the current round of welfare. These options involve the Food Stamp Education and Training (E&T) program.

OPTION 1: Conforming the Food Stamp E&T program with JOBS.

1. CONFORM NON-COMPLIANCE SANCTIONS WITH JOBS NON-COMPLIANCE SANCTIONS

Currently, the sanction for non-compliance with Food Stamp work requirements affects the entire household. Under AFDC-JOBS, the sanction affects only the individual not in compliance. Recommendation: conform to E&T policy with JOBS sanction policy.

?

-APWA-

(a) Eliminate the distinction between individual and household ineligibility arising from non-compliance with work requirements.

(b) Eliminate the requirements governing the designation of head of household for E&T purposes.

(c) Adopt provision of AFDC-JOBS sanction periods for E&T.

2. E&T EXPENSE REIMBURSEMENT

Currently, the Food Stamp E&T program provides payments or reimbursements to individuals for transportation and other expenses (excluding dependent care) related to participation in the program. Participants receive payments for actual costs up to $25 per month for expenses deemed necessary for participation in the E&T program. The Federal government matches up to half of the amount State agencies spend, up $12.50 of the $25. State may supplement the amount without additional matching funds from the Federal government. The JOBS program provides reimbursement to participants for transportation and other costs necessary to enable individuals to participate in JOBS. The Federal government matches the State agency costs up to 50%. State agencies describe in their State plans the monetary limits to be applied to transportation and other support services. Recommendation: conform E&T reimbursement policy with JOBS policy.

(a) Conform Food Stamp E&T reimbursement policy to JOBS reimbursement policy by eliminating the $25 maximum and allowing State agencies to specify monetary limits to be applied to transportation and related expenses.

3. FOOD STAMP E&T DEPENDENT CARE EXEMPTIONS

The Food Stamp E&T program allows State agencies to exempt certain individuals from participation in program activities. Currently, State agencies may exempt from work registration a parent or other household member who is responsible for the care of a dependent child under age 6 or an incapacitated person. State agency may require the parent or other caretaker relative of a child under age 6 to participate in JOBS. However, mandatory individual must be assured by the State

agency that child care will be guaranteed and that s/he will not be required to participate more than 20 hours per week. A parent or relative who is personally providing care for a child under age 3 (or younger at State option) is automatically exempt from JOBS participation. Conforming Food Stamp E&T exemption provisions for dependent caretakers to the JOBS criteria would require a greater percentage of the Food Stamp population to register for work at the time of application for benefits, thereby reaching a greater proportion of the employable Food Stamp population.
Recommendation: conform E&T exemption provisions with JOBS criteria.

4. PERFORMANCE FUNDING FOR FOOD STAMP E&T

Currently, the Food Stamp E&T program distributes $75 million as a Federal grant to State agencies for the administration of their E&T programs. Of this $75 million, $60 million is distributed according to each State's proportion of work registrants (nonperformance funding), while the remaining $15 million is based on State program performance. This option would eliminate the $15 million performance funding category for Food Stamp E&T. The USDA would distribute the entire $75 million based on the nonperformance formula.
Recommendation: eliminate the $15 million performance funding category.

(a) Eliminate the $15 million performance funding category for Food Stamp E&T.

(b) Distribution of Federal funds for E&T will be based according to each State's proportion of work registrants.

OPTION 2: Consolidating E&T with JOBS

State agencies stress that serving similar populations with different program rules and funding structures increases the complexity of the programs and their resulting ability to operate the program effectively. Consolidating the E&T program with JOBS would result in a more effective overall administration of Federal employment and training programs. While the program would continue to serve recipients of public assistance and those not receiving public assistance (NPA), the administrative burden associated with the operation of 2 separate Federal employment and training programs would be eliminated.

NOTE: Is this a potential avenue for incorporating the employment & training needs of non-custodial parents?

1. FUNDING

Currently, USDA distributes $75 million in a 100% grant to State agencies to administer their E&T programs. States that choose to spend more than their 100% grant can receive a 50% Federal match for administrative costs. Legislation could conform match rates for E&T services with JOBS match rates. If transferred to HHS, consolidating funding structures and Federal financial requirements for the 2 programs would greatly reduce the administrative burden for State operating agencies.

OPTION: Alternative funding streams for a consolidated model include:

(i) transferring funds from USDA to HHS;

(ii) USDA funding States directly through contracts

(iii) funding appropriated directly to HHS.

2. **MINIMUM PARTICIPATION REQUIREMENTS**

In FY 1990 and FY 1991 States were required to place no fewer than 50% of their E&T mandatory population into E&T activities. This performance standard was lowered to 10% for FY 1992 and beyond.

OPTION: As a way to ensure continued participation in employment and training activities by Food Stamp recipients, HHS would direct State agencies to serve a minimum number of NPAs, possibly based on the current 10% required participation rate. The lowered standard allows for more intensive services. States would specify in their State JOBS plans how this population would be served and how participation requirements would be met.

WR SPECS
(Tolls + Time Limits)

TIME-LIMITING ASSISTANCE

Current Law

The AFDC program provides cash assistance to households in which needy children have been deprived of parental support (Section 401, Social Security Act), including two-parent households in which the principal earner is unemployed (AFDC-UP program, Section 407). Operating within broad Federal guidelines, States set standards used to determine need and payment. In order to be eligible for AFDC, the household's gross income cannot exceed 185 percent of the State's need standard (Section 402(a)), its countable income must be less than the need standard, and the total value of its assets must be below the limit set by the State.

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Vision

Most of the people who enter the welfare system do not stay on AFDC for many years consecutively. It is much more common for recipients to move in and out of the welfare system, staying a relatively brief period each time. Two out of every three persons who enter the welfare system leave within two years and fewer than one in five spends five consecutive years on AFDC. Half of those who leave welfare, however, return within two years, and three of every four return at some point in the future. Most recipients use the AFDC program not as a permanent alternative to work, but as temporary assistance during times of economic difficulty.

While persons who remain on AFDC for long periods at a time represent only a modest percentage of all people who ever enter the system, however, they represent a high proportion of those on welfare at any given time. Although many face very serious barriers to employment, including physical disabilities, others are able to work but are not moving in the direction of self-sufficiency. Most long-term recipients are not on a track toward obtaining employment that will enable them to leave AFDC.

The proposal would impose, on adults, a cumulative time limit of two years on the receipt of cash assistance, with deferrals of and extensions to the time limit to be granted under certain circumstances. Months in which a recipient was working part-time would not count against the time limit. The two-year limit would be renewable--once an individual left welfare, he or she would begin to earn back eligibility for assistance.

The two-year time limit is part of the overall effort to shift the focus of the welfare system from disbursing funds to promoting self-sufficiency through work. This time limit gives both recipient and the welfare agency a structure that necessitates steady progress in the direction of employment and economic

independence. As discussed elsewhere, recipients who reach the two-year time limit without finding a private sector job will be offered publicly subsidized work assignments to enable them to support their families.

1. Definition of Time Limit

(a) The time limit would be a limit of 24 on the cumulative number of months of cash assistance an individual could receive while not deferred from the JOBS program. Months in which an individual was receiving assistance but was deferred from the JOBS program (not required to participate) would not count against the 24-month time limit.

2. Applicability of Time Limits

(a) The time limit would apply to parents (for treatment of teen parents, see Teen Parents below). A record of the number of months of cash assistance received would be kept for each individual subject to the time limit. Caretaker relatives would not be subject to the time limit.

In a two-parent family, both parents would be subject to the time limit, provided neither parent was deferred from JOBS. The family would continue to be eligible for benefits so long as one of the two parents had not reached the time limit for transitional assistance.

EXAMPLE: A single father with two children who came onto the rolls twelve months ago marries a woman with no children and no prior welfare receipt. Both are required to participate in JOBS. The family at this point is eligible for twenty-four months of benefits. The marriage does not go well and they separate after ten months. The father and his children at this point are eligible for only two more months of cash assistance. If, on the other hand, the two had remained together, the family would have been eligible for fourteen more months of cash benefits.

Under current law, the second parent in a two-parent family is not exempted from participation in JOBS. If, however, a State chose to defer the second parent from JOBS, the second parent would not be subject to the time limit. The second parent would then be treated as any other deferred recipient--counted toward the maximum number of adult recipients a State is permitted to defer (see Deferrals and Extensions below). In such an instance, a two-parent family could be eligible for as many as 48 months of cash assistance, as opposed to 24 for a single-parent family. Again, this would only be the case if the second parent were deferred from the JOBS program.

RATIONALE: While the provision described above might be interpreted to favor two-parent families over single-parent households, its intent is actually to equalize treatment of one and two-parent families. Applying the time limit to a parent in a two-parent family who did not have access to JOBS services (due to deferral) but not to a deferred parent in a one-parent family would constitute, to some extent, a bias against two-parent families. NOTE: If a second parent were officially deferred but nonetheless participated in the JOBS program (i.e., as a volunteer) that second parent would be subject to the time limit.

3. Teen Parents

(a) All teen parents would be required to participate in JOBS and would be subject to the 24-month time limit. The clock would begin to run upon receipt of assistance as a custodial parent.

(b) Teen parents who would otherwise have reached the time limit would receive an automatic extensions to age 18 (19 if enrolled in high school). These extensions would not be counted against the cap on extensions. Teen parents who received the automatic extension would still be eligible for the standard extensions (see Deferrals and Extensions below).

(c) Teen parents who had reached the time limit, extensions notwithstanding, would be permitted to enroll in job search (and continue receiving cash benefits) for up to 3 months before entering the WORK program.

4. Deferrals and Extensions

Deferrals would be for persons who had not yet reached the 24-month time limit, while extensions would be for individuals who had reached the limit.

Deferrals

(a) Adult recipients could be deferred from participation in the JOBS program either prior to or after entry into the program. For example, if an individual became seriously ill after entering the JOBS program, he or she could be deferred at that point. Months in which a recipient was deferred from the JOBS program would not count against the time limit.

EXAMPLE: An individual applies for cash assistance in January of 1996. She and her caseworker design an employability plan in March of 1996 and she begins participating in the JOBS program activities in the plan. In September 1996, her father becomes seriously ill and she is needed in the home to care for him. At that point, she is deferred from JOBS participation. Her deferment lasts for eleven months, until August 1997, when her father recovers and no longer requires full-time care. As of August 1997, she is eligible for 16 more months of cash assistance. She re-enters the JOBS program and reaches the 24-month time limit in November 1998. At that point, however, she is only four months from completing her Licensed Practical Nurse (LPN) training. She is then granted a 4-month extension to finish her LPN training.

(b) Deferral policy would take the following form:

A parent of a child under one, provided the child was born either prior to or within 10 months of the family's most recent application for assistance, would

be deferred from participation in the JOBS program. A parent of a child born more than 10 months after the most recent application for assistance would be deferred for a 120-day period following the birth of the child.

States would be permitted, in addition, to defer up to 20% of all adult recipients under the following criteria or for good cause as determined by the State:

(1) Illness, including mental illness, incapacity or advanced age;
(Same as current law)

(2) Needed in the home to care for another member of the household who is ill or incapacitated;
(Same as current law)

(3) Second or third trimester of pregnancy; and
(Same as current law)

(4) Living more than two hours round-trip travel time (by public transportation or by car, whichever is applicable) from the nearest JOBS program site or activity.
(Same as current law, specifically CFR 250.30.5)

(c) When appropriate, those deferred from the JOBS program would be required to engage in activities intended to prepare them for the JOBS program. The employability plan for a deferred recipient would detail the steps, such as finding permanent housing or obtaining medical care, needed to enable him or her to enter the JOBS program.

Recipients not likely to ever participate in the JOBS program (e.g., those of advanced age) would not be required to engage in pre-JOBS activities, but would have access to pre-JOBS services. For individuals whose deferral is expected to end shortly in any event (e.g., mothers of young children), pre-JOBS activities would be intended to address barriers, if any, to successful participation in JOBS.

The pre-JOBS phase would not be as service-intensive as the JOBS program. States would not be required to guarantee child care or provide other supportive services for persons in the pre-JOBS phase. Monitoring would be relaxed considerably relative to JOBS. States would, however, have the option to sanction persons in the pre-JOBS phase for not following through with the steps in the employability plan.

RATIONALE FOR PRE-JOBS: Requiring at least a modest number of recipients deferred from JOBS to participate in pre-JOBS activities would encourage States to devote some attention to deferred persons. Moreover, a pre-JOBS phase might, to some

extent, assuage concerns about the magnitude of the deferral rates.

Extensions

(a) States would be required to grant extensions to persons who reached the time limit without having adequate access to the services specified in the employability plan. In instances in which a State failed to substantially provide the services, including child care, called for in the employability plan, the recipient would be eligible for an extension equal to the number of months needed to complete the activities in the employability plan (up to a limit of 24 months).

States would also be permitted to grant extensions of the time limit under the circumstances listed below, up to a total of 10% of adult recipients (persons granted extensions due to State failure to deliver services, as discussed above, would be included under the 10% cap).

(1) For completion of high school, a GED program or other certificate-granting training program or educational activity expected to enhance employability, provided the individual is making satisfactory progress toward attaining a diploma or completing the program (extension limited to 24 months).

(2) For completion of post-secondary education, provided the individual is enrolled in a work-study program or otherwise employed at least part-time and is making satisfactory progress toward attaining a degree (extension limited to 24 months).

(3) For some persons who are learning disabled, illiterate or who face other substantial barriers to employment. This would include a seriously learning disabled person whose employability plan to date has been designed to overcome that obstacle and who consequently has not yet obtained the job skills training needed to secure employment (extension not limited in duration). These decisions would be made on a case-by-case basis.

(b) States would be required to continue providing supportive services as needed to persons who had received extensions of the time limit.

5. Part-Time Work

(a) Part-time work (for persons receiving cash assistance) would be treated as distinct from both participation in the JOBS program and deferral from the JOBS program.

(b) An individual working an average of 20 or more hours per week or earning at least $400 during the month would not be required to participate in the JOBS program but would not be considered deferred for purposes of calculating the percentage of adult recipients deferred.

States would have the option of requiring parents of children 6 and over to work at least 25 hours per week in order to be considered working part-time.

(c) Months in which an individual worked part-time, as defined here, would not be counted against the time limit. Persons working part-time would be permitted to volunteer for the JOBS program. Months in which an individual was working part-time and participating in the JOBS program would be counted against the time limit.

(d) State participation standards would be expressed as the percentage of adult recipients who were either in the JOBS program or working part-time.

6. Earning Back Eligibility

(a) Persons who had left the cash assistance program would earn back eligibility for months of cash assistance at a rate of one month of cash assistance eligibility for every four months during which the individual did not receive cash assistance and was not in the WORK program. The total months of assistance for which a person was eligible at any time could never exceed 24.

EXAMPLE: An individual applies for assistance for the first time in January 1997, is not deferred from the JOBS program and enters a JTPA in-class vocational training program in March 1997. She obtains a private sector position and leaves the JOBS program in December of 1997. At that point, she is eligible for 13 months of cash assistance. Two years later, she is laid off from her job and is unable to find another. She re-applies for assistance in February 2000, 26 months after leaving welfare. At this point, she has earned back 6.5 months of cash assistance (26 total months divided by 4), which, when added to the original 13 months, gives her 19.5 months of eligibility remaining.

NOTE: A generous earn-back provision could contribute to minimizing the number of people re-entering the WORK program.

(b) Persons who left the WORK program would also be able to earn back months of cash assistance, just as described above. States would have the option of enrolling WORK program re-entrants in job search for up to 3 months before placing them on the waiting list for WORK assignments (WORK program re-entrants would be eligible for cash benefits while participating in job search).

(c) States would be permitted to design alternate methods of allowing persons to earn back months of assistance.

7. Job Search/Transition to Work

(a) Persons would be required to engage in job search during a period of not less than 45 days (up to 90 days, at State option) before taking a WORK assignment. In most cases, the job search would be performed during the 45-90 days immediately preceding the end of the time

limit. An individual who reached the time limit without having finished the 45-90 days of job search would not be eligible for a WORK assignment until the required period of job search was completed.

(b) Persons who through no fault of their own did not complete the required period of job search before reaching the time limit would continue to be eligible for cash benefits while finishing the 45-90 days. Individuals who refused to participate in required job search, either before or after reaching the time limit, would not be able to receive cash benefits while completing the job search period.

(c) States would have the option of providing additional months of cash assistance to individuals who found employment just as their eligibility for cash assistance ended, if necessary to tide them over until the first paycheck.

EXAMPLE: January is the last month in which a recipient is eligible for cash benefits. At the end of January, he finds a job. He will not, however, receive his first paycheck until the end of February. The State would have the option of issuing a benefit check for the month of February, even though he reached the time limit in January.

(d) At State option, persons who had left the JOBS program for work would still be eligible for selected JOBS services, including case management.

(e) States would be required to continue providing transitional Medicaid benefits as under current law; States would be relieved of this requirement only if and when universal health care coverage were guaranteed within the State.

[Draft - December 6 2:00 pm]

DRAFT

WR Specs (Jobs + Time Limits)

A. ENHANCING THE JOBS PROGRAM

1. Program Enrollment

The Family Support Act mandated that upon enrollment into the AFDC program, the State must make an initial assessment of applicants with respect to child care needs, skills of the applicant, prior work experience, and employability of the applicant. On the basis of this assessment, the State must develop an employability plan for the applicant. The State may require applicants to enter into a formal agreement which specifies the participant's obligations under the program and the activities and services provided by the State. The employability plan is not considered a contract. States may require some applicants to undergo job search activities for 8 weeks and an additional 8 weeks for AFDC recipients.

States must change the culture of the welfare system by changing the expectations of both applicants and case workers. This can be done by modifying the mission of the welfare system at the point of the intake process to stress the shift from eligibility and benefit determination to employment and access to education and training. The mutual obligations of the State and the participant must be spelled out and enforced. Additionally, model programs have demonstrated the benefit of case management services. Under current law, case management services are not required. The addition of case management services is an important step in creating a system which aids participants in attaining self-sufficiency. JOBS programs must continue to be utilized as an entity designed to link clients to services in the community.

ISSUES

ISSUE 1: To what extent should the Federal government mandate specific orientation policies (either through law or regulations)? Do we want to go further than existing law in prescribing what information and orientation should be provided to applicants for assistance?

JOB SEARCH?

Drafting Specs

(a) All applicants, upon enrollment, will be required to sign a Social Contract with the State specifying the responsibilities of both the participant and the State agency. **Note, this provision may require more specific drafting instructions regarding the contents of the Social Contract.**

(b) States are required to make such orientation and follow-up services available. Subsequent orientation services will be provided to refer, make information available concerning, and to prepare participants to use appropriate services such as Pell Grant, apprenticeship program, JTPA and other educational and training services in the community. (Some of this is already described in section 482(c) of the Social Security Act.

2. Exemptions Under JOBS

Under current law, states must require non-exempt AFDC recipients to participate in the JOBS program to the extent that resources are available. Exemptions under the current JOBS program are for those applicants and recipients who are ill, incapacitated, or of advanced age; needed in the home because of the illness or incapacity of another family member; the caretaker of a child under age 3;(or, at State option, age 1), employed more than 30 hours per week; a dependant child under age

16 or attending a full time educational program; women in the second trimester of pregnancy; and residing in an area where the program is not available. The parent of a child under age 6 (but older than the age for an exemption) who is personally providing care for the child may be required to participate only if participation requirements are limited to 20 hours per week and child care is guaranteed. For AFDC-UP families, the exemption relating to the age of a child may only apply to only one parent, or to neither parent if child care is guaranteed.

Under new provisions, a greater number of participants will be JOBS mandatory. Single-parent and two-parent families will be treated similarly under the new JOBS system.

ISSUES

ISSUE 1: **Should there continue to be exemptions from JOBS participation? or should all applicants be enrolled in JOBS with appropriate adjustments as to what constitutes participation?**

ISSUE 2: **If there continues to be exemptions, what should they be? Here are some options for consideration. Individual is exempt if the individual:**

- **(a) is ill, incapacitated, or of advanced age;**
- **(b) is the parent or other relative of a child under 1 year of age who is personally providing care for the child**
- ? **(c) is in the last trimester of pregnancy**
- ? **(d) is the child of record, for 12 weeks**

This has the following effects vis-a-vis current law:

- assumes that taking care of another member of the household who is ill or incapacitated will now be an eligible activity
- lowers age of youngest child exemption from 3 to 1 with no state option
- drops the part-time requirement for parents of children under 6
- ? assumes that working part-time will be an eligible activity
- deals with children not as an exemption but by requiring participation only from adults and minor case heads
- takes away the exemption for the program not being available

ISSUE 3: **If there are exemptions, what are the state's responsibilities regarding people who receive them? For example, would exempt applicants receive as assessment or employability plan?**

(a) States will be required to review all exemptions from JOBS as part of the redetermination process for transitional assistance. Exemptions only last until the next redetermination.

ISSUE 4: **Are both parents of a 2-parent family JOBS mandatory?**

ISSUE 5: **Should dependents under 16 be JOBS mandatory?**

OPTION: **Consider creating a category of people who are "deferred" from JOBS participation. This incorporates the APWA notion of pre-JOBS. This category could include the following types of people/activities that are not necessarily employment related and therefore perhaps best not considered JOBS activities Creating deferments lowers the number of people in the JOBS program per se**

and lowers the number of extensions 0 which could, under this model, be considered to take place before the two year JOBS clock starts ticking.

(a) States are permitted to defer otherwise mandatory JOBS participants who are not ready to enter employment related activities because of one or more serious barriers to employment. Individuals who are deferred from having to participate in the JOBS program will be required to participate in appropriates services determined by the State agency in consultation with the individual. These include:

- persons with severe substance abuse problems which are a barrier to employment may be required to enroll in substance abuse programs and to participate satisfactorily in prescribed treatment — WHY EXEMPT??
- persons with severe mental health problems may be required to enter counselling and to participate satisfactorily in prescribed treatment
- persons with severe learning disabilities may be required to enroll in basic skills training courses — =?
- persons with lack of English language skills may be required to enroll in English as a second language course or other basic skills training courses and to participate satisfactorily in those courses.
- **Should statute specify others? Should states have discretion? Should statute limit the number of cases that can be in deferred status?** — YES

(b) Persons who fail to comply with the terms of their deferment will be required to enter the JOBS program (and their two year clock will start). Failure to comply at this point would bring them under the regular JOBS sanction process.

Drafting specs

(a) **See Issue #2 and Issue #5**

(b) **Note, provide for justifiable deferment policy. See option.**

3. Employability Plan

ISSUES

ISSUE 1 **Should the statute be amended to require that the employability plan be developed within 90 days or should the time frame be left to state option? If we specify a 90 day time frame, this may preclude States from requiring applicants to undergo job search or other activities if the option to require such activities is available to States.** ?

ISSUE 2 **Is there any need to mention in the statute that states have the authority to amend and update the employability plan or is that self-evident?**

ISSUE 3 **Should the requirements for what is assessed be amended? Is this just an assessment of employability or is it an assessment of family needs?** EMPLOYABILITY

Drafting Specs

(a) All JOBS participants are required, in conjunction with case managers and within 90 days, to create and sign an employability plan specifying the responsibilities of both the participant and the State agency.

(b) Change current SSA language that state "may" require the participant to enter into an agreement with the states agency to follow the employability plan as developed to "must."

(c) The Social Contract and the Employability plans shall not be legal contracts.

4. Case Management

Currently, case management services are not required by law for AFDC participants. State staffing levels are presently set under State or local jurisdiction's discretion. As a result, many programs now operate with insufficient levels of staff to handle the growing caseloads.

ISSUES

ISSUE 1 **To what extent should the law prescribe what case management services should look like or at what level they should be provided?** NO! -NPR-

For example, all applicants will be assigned to a case manager or a case management team (at State option), who shall be responsible for initiating assessment activities, articulating all program requirements and options, case plan development, determining eligibility, and ensuring the applicant has access to and receives all available services (including non-JOBS services) which promote the goals of the case plan.

For example, case managers/team will be responsible for periodic review of individuals' progress with regards to the case plan. In the event of a lack of progress, case managers will assist participant in amending case plan to define and implement steps and corrective actions to be undertaken. States will have flexibility regarding how to measure and determine progress of individuals, and how extensive periodic review and case plan amendments will be.

Drafting Specs

(a) Regarding option of States to provide case management services, change language of statute from "may" to "must."

(b) **Move to demo section.** States shall have maximum flexibility to test strategies for assessment used by case managers. The Federal government will sponsor demonstration projects to test the effectiveness of different options.

5. JOBS Services Available to Participants

A range of services and activities must be offered by States under the current JOBS program, but States are not required to implement JOBS uniformly in all parts of the State and JOBS programs vary

widely among States. The services which must be included are: educational activities, including high school and equivalent education, basic literacy, and English proficiency; jobs skills training; job readiness activities; job development and job placement; and supportive services to the extent that these services are necessary for participation in JOBS. Supportive services include child care under a variety of circumstances, and transportation and work related expenses. States must also offer at least 2 of the following services: group and individual job search; on-the-job training (OJT); work supplementation programs (WSP); and community work experience programs (CWEP). There is a need to expand the definition and range of services available under JOBS. States would maintain the flexibility to determine the mix of JOBS services available and required for participants.

ISSUES

ISSUE 1: **Are there other services that should be included in the statute as mandatory JOBS services besides the ones already in the Act? For example, job search.**

ISSUE 2: **Require all new JOBS-mandatory applicants to engage in supervised job search from the date of application for benefits and extend limit on participation in job search (currently eight consecutive weeks) to 12 weeks at State option. Applicants would be sanctioned for non-participation. Note, do we want to be this prescriptive?** YES

ISSUE 3: **Should we remove the non-displacement requirement from work supplementation under JOBS and/or WORK and make other changes to the statute to give States more flexibility to promote labor force attachment? For example, such assignment rules as:** YES

- **Eliminate requirement to serve volunteers first**
- **Give more flexibility to require early and ongoing job search/placement** YES
- **Minimize requests for up-front assessments (i.e., identify exemptions & problems like lack of cc vs. assessing skills and work experience)**
- **Give greater flexibility to require job placement prior to education for those without high school (except for teen parents)** YES
- **Allow more flexible CWEP rules (hours based on ave. AFDC + FS benefit; self-identified community service; reassessment, but no mandatory recalculation after 9 mo)** YES
- **Allow States to require job acceptance even where potential loss in income (while allowing continued refusal of jobs where no child/dependent care, H&S problems, excess distance or overnight travel, inconsistency with physical or mental capacity)** ?
- **Remove displacement provision to allow WSP placements in unfilled, private-sector vacancies** YES

Drafting Specs

(a) Amend job search rules to accomplish the following:

- mandate provisions of job search as a JOBS service

- extend permissible period of mandated job search to 12 weeks from 8 upon application

- permit more than 4 months of job search per year. **Should there be a limit? If so, what?** ?

- remove the requirement that job search after initial period may only be required in combination with education and training YES

6. JOBS Participation

Under the Family Support Act of 1988 which established the JOBS program, certain minimum participation standards were established for fiscal years 1990-1995 for the AFDC caseload. States face a reduced federal match rate if those standards are not met. In FY 1993 at least 11% of the non-exempt caseload in each State must participate in JOBS. Under current law, the standards increase to 15% for FY 1994 and 20% for FY 1995. There is a need to increase the minimum participation standards in order to fully implement JOBS and transform the welfare system from an income support system into a work support system. The ACF current budget proposal for phase-in increase in participation standards for JOBS from the current level to 20% of non-exempt caseload in FY 1995, 25% for FY 1996, 30% for FY 1997, 35% for FY 1998, 40% FY 1999, 45% for FY 2000. cf GOP

ISSUE:

ISSUE 1: **If States can expand the definition of which services count towards JOBS participation, how can the Federal government measure the intensity of participation. This implies that participation levels and intensity of participation will be part of a performance evaluation scheme.**

- **For example, modest changes to the participation rate calculation may be made to make the calculation more equitable among States and to accommodate certain types of meaningful participation which is currently excluded.**

ISSUE 2: **Will we require a specific number of hours of participation? (Note, what counts as participation is defined in the regulations.)**

ISSUE 3: **Will the required number of hours per week of participation in acceptable JOBS activities be specified by the State or in the case plan.**

ISSUE 4: **What should we do with the 20 hour rule?**

Drafting Specs

(a) Broaden the definition of JOBS activities to include substance abuse treatment, mental health counselling, parenting/life skills classes, domestic violence counseling, and other similar activities at State option which promote the goals of a participants case plan and are consistent with the goals of the JOBS program. ? Community service

(b) Participation in any such State specified activities would count as participation in the JOBS program if such participation is consistent with the goals and needs specified in the case plan.

7. JOBS for Non-custodial Parents

ISSUE:

ISSUE 1: **How should non-custodial parents be included in the JOBS program? Should a fixed percentage of JOBS funds be allocated to serve this population? If so, what percent? Will participation by non-custodial parents be counted in determining a State's compliance with participation standards.** NO

(a) **See Issue #1.**

8. Targeting Teen Parents

Under current law, teen parents under 16 years of age, or attending secondary or vocational school full-time are exempt. While it is important to recognize the different needs and characteristics of the teen parent population, research and demonstration projects have shown that specialized services designed according to the needs of teen parents can help maximize positive outcomes with respect to educational attainment, personal responsibility, job readiness, child development, life skills, response to incentives, and others. These important lessons must be incorporated into the welfare system in order to benefit from them. To do so, exemptions which in effect deny access of teen parents to needed services must be modified.

ISSUES:

ISSUE 1: **Do we mandate special case management or other services for teen parents?** ?

ISSUE 2: **Do we have separate participation requirements for Teen parents?**

Drafting Specs

(a) State option of appropriate activity requirements for dependent children who are at-risk of drop-out or teen-pregnancy. (For example, require school attendance, etc.) **Note, see the prevention section)**

(b) At State option, States could test the effectiveness of creating a specialized curriculum of activities via the case plan geared towards the needs of teen parents. (For example, in the case plan, activities involving parenting and life skills, family planning, and secondary education could be required before attending activities oriented towards employment.)

9. Sanctions

Sanctions for non-participation under the current JOBS program result in a loss in the portion of benefits for the individual not in compliance with required activities until the failure to comply ceases. In the event of subsequent non-compliance, the sanction is a minimum of 3 months for the second failure to comply, and a minimum of 6 months for all subsequent non-compliance. Additionally, the State cannot require a participant to accept employment if the net result to the family is a decrease in cash income. Under these provisions, much of the sanction policy would remain intact but States would have greater flexibility to determine the severity and duration of the sanctions. Although States would attain greater flexibility and opportunity to impose stricter sanction, States are encouraged to maintain a balance between "carrot" and "stick" approaches. ?

ISSUES:

= why?

ISSUE 1: **Should we allow States to impose greater or lesser sanctions, and if so, how?** YES

ISSUE 2: **Current law does not allow for a sanction for refusing a job (20+ hours per week) if there is a child under 6. Do we need a clause which limits the sanction for failure to accept a job if a child under ___ is present. We recommend maintain current law on this.** CHANGE

NO!

Conciliation at state option

Drafting Specs

(a) Severity and Duration of Sanctions:

1. States have the flexibility to amend current law sanctions to experiment with increased and/or decreased severity, provided that all sanctions are curable and the severity of the sanctions remains within specified HHS guidelines. Why? Allow full-family sanction??

2. The Secretary of HHS shall publish rules outlining the monetary limits and other basic parameters with which States must comply in developing sanction processes.

(b) Allow States the flexibility to develop expedited sanction process and to redesign the sanction process. For example: YES

1. allow a minimum initial sanction period

2. eliminate the conciliation requirement

(c) Program Interactions

1. During sanction periods, assume unsanctioned AFDC benefit when calculating benefits for other means-tested programs. YES

2. Sanctioned families will still have complete access to other available services.

3. Sanctioned months would be considered months of receipt for calculating time-limits.

4. Income of sanctioned or disqualified member of unit is counted in determining continuing eligibility and income disregards.

10. Phase-in of JOBS

ISSUES:

ISSUE 1: **How will States implement the new system?**

An option being discussed is the possibility of requiring States to implement 100% participation requirements for some portions of the populations as opposed to an across-the-board percentage. For example, a State could achieve the required percentage by either requiring all new applicants and new cases to enter the new program, thereby grandfathering out the old system. Alternatively, States could implement 100% participation requirements on specific geographic zones until the entire State is eventually covered.

ISSUE 2: **How can we ensure that resources are expended adequately for implementation of the new JOBS program and also ongoing services for current JOBS participants**

ENHANCED FUNDING FOR JOBS

Under current provisions of Part F of title IV of the Social Security Act, States receive Federal matching funds for JOBS expenditures up to an amount allocated to them under a national capped entitlement. The cap started at $600 million in FY 1989, was $1 billion for FY 1993, rises to $1.3 billion for FY 1995 and goes back down to $1 billion for every fiscal year thereafter. For amounts spent up to their 1987 WIN allotments, States receive 90% Federal matching. For amounts above that level, they receive matching at the greater of 60% of their FMAP rate—if the expenditures are on program activities or full-time staff; and 50% if the expenditures are on administrative costs or support services. To receive enhanced matching funds, State must meet certain specified participation levels and expend 55% of their JOBS funds on recipients who are members of specified target groups.

States have been suffering under fiscal constraints which were unanticipated at the time the Family Support Act passed, and some have been unable to draw down their full allocation. Resource constraints have limited the number of individuals served under JOBS and the JOBS services provided by States. Additional funding is essential if States are to increase their overall levels of participation in JOBS. Increasing the Federal match rates alone may not substantially increase program participation because some States have made minimal financial commitments to the program. The participation standards are reinstated and increased in order to assure that the additional Federal funds result in significant increases in the number of recipients served by the program. In order to increase the participation expectations, it is necessary to raise the Federal cap. The new cap is set high enough to enable States to achieve these higher expected levels of participation. The goal of the new JOBS program is to create an outcome based incentive system which works for States as well as participants. In return for enhanced funding, States will be asked to submit JOBS plans which will be a means to record and measure progress in the implementation of the new JOBS program.

ISSUES:

ISSUE 1: **What will the funding level be?** Why?

ISSUE 2: **How many special set-asides will there be?** Territories, Indians

ISSUE 3: **Funding for TA, noncustodial parents, demos of special models?**

Drafting Specs

1. JOBS Funding Levels

(a) Increase the JOBS cap to $___ billion for FY 1995 and beyond. **Note, for basic JOBS only.**

(b) Increase or provide additional funding to States for case management and special training. **Note, depends on case management prescriptions.** NO

(c) Federal government will encourage States to expand public-private initiatives by making the costs of such activities to States matchable at the rate of other JOBS activities.

(d) In the event that states do not claim the full amount of their JOBS entitlement, other states which can provide the state match can claim the unused funds. good

2. Enhanced Matching Rates to State Based on Performance

Note, the issue of performance standards has not yet been resolved.

(a) For States who qualify for enhanced rates, raise the Federal match rate for JOBS expenditures by 8% (except for amounts already matchable at the 90% rate).

(b) As per provisions pertaining to Performance Standards, in order to qualify for enhanced match rates, States:

(1) are required to equal or exceed prior year's spending;
(2) performance of prior year must meet or exceed performance standards outlined in the State's JOBS plan for that year;
(3) must submit JOBS plan for current year;
(4) with unemployment rates which exceed a certain target are eligible;
(5) demonstrate via State JOBS plan how funds will be used to enhance case management services; and
(6) Federal participation standards must be met or exceeded.

B. IMPROVING ACCESS TO MAINSTREAM EDUCATION, TRAINING AND SELF-EMPLOYMENT OPPORTUNITIES

The mission of the JOBS program will not be to create a separate education and training system for welfare recipients, but rather to ensure that they have access to and information about the broad array of existing programs in the mainstream system. The JOBS program needs to be redesigned to permit States to integrate other employment and training programs into the JOBS program, and to implement "one-stop shopping" education and training programs.

ISSUES:

ISSUE 1: **What does it mean to "main-stream" JOBS? Who:**
- **administrates the programs;**
- **what is paid for and by which entities;**
- **what is coordinated (what are various Departments required to do)?**

ISSUE 2: **What is the exact function of the waiver boards?**

Drafting Specs

1. Technical Assistance

(a) The Department of HHS shall develop guidelines and manuals and other technical assistance products to help States develop criteria and standards for staff requirements associated with case management services.

(b) The Federal government will promote and sponsor educational activities designed to help State staff attain skills and experience in case management and other related administrative techniques.

(c) The Secretary of HHS or a disinterested contracted party shall conduct studies of each State's case management system. The study shall include a review of automated case processing systems and other administrative requirements and will include recommendations for improving ongoing systems. The Department and each State shall develop standards for each State based on performance and program needs. State standards shall include sufficient staff to accommodate all cases.

2. Coordinated Efforts

(a) Secretaries of HHS, Labor, and Education shall plan and coordinate education and training programs to encourage participation of JOBS participants and simplifies eligibility for such programs. A waiver board shall be assembled to examine eligibility issues and make recommendations to promote expanded participation, coordinated programs, and simplified and standardized eligibility. Included in such programs shall be:

(1) Pell Grant;
(2) JTPA;
(3) apprenticeship programs; and
(4) JOBS programs.

3. Demonstrations

(a) The Secretary shall authorize demonstration projects to test the effects of different State policies with regards to allowing activities not directly related to the goal of labor force attachment and referral to other nontraditional services to be (or not be) considered JOBS activities.

(b) The Secretary shall promote employment and training approaches which are directly oriented toward employment through demonstration projects to test the effectiveness of various approaches, including greater use of performance based contracting, work-based and contextual learning programs, and programs which integrate educational and training services. good

(c) The Secretary shall allow States to utilize micro-enterprise and other similar self-employment strategies as a JOBS option on a demonstration basis.

(d) The Secretary shall undertake a demonstration project to test the effectiveness of contracting job placement and other approaches used by America Works to for-profit entities.

(e) **Move to demo section.** Allow for State demonstrations to test different policies regarding the requirement that applicants participate immediately in an employment related activity versus allowing for a grace period before such requirements commence, or requiring non-employment oriented activities (family stabilization model), in conjunction with case plans. ?

(f) **Move to demo section.** Alternative models to be tested include welfare diversion models, in which case an alternative benefit payment for a specified period of time (3-6 months) may be an effective means to divert families in crisis from entering the welfare system. If family subsequently receives AFDC, months of alternative benefit receipt count when calculating a time limit. ?

WR-SPECS (Time Limit)

TIME-LIMITED ASSISTANCE

Two out of every three persons who enter the welfare system leave within two years. Fewer than one in five remains on welfare for more than five consecutive years. For many persons who receive AFDC, the program serves as temporary assistance, supporting them until they regain their footing.

A significant number of AFDC recipients, however, remain on welfare for a prolonged period. While long-term recipients represent only a modest percentage of all people who enter the system, they represent a high percentage of those on welfare at any given time. Although many face very serious barriers to employment, including physical disabilities, others are able to work but are not moving in the direction of self-sufficiency. Most long-term recipients are not on a track toward obtaining employment that will enable them to leave AFDC.

The two-year time limit is part of the overall effort to shift the focus of the welfare system from disbursing funds to promoting self-sufficiency through work. This time limit gives both recipient and caseworker a structure that necessitates steady progress in the direction of employment and economic independence.

Current Law and Direction of Proposal

The AFDC program provides cash assistance to households in which needy children have been deprived of parental support (Section 401, Social Security Act), including two-parent households in which the principal earner is unemployed (AFDC-UP program, Section 407). Operating within broad Federal guidelines, States set standards used to determine need and payment. In order to be eligible for AFDC, the household's gross income cannot exceed 185 percent of the State's need standard (Section 402(a)), its countable income must be less than the need standard, and the total value of its assets must be below the limit set by the State.

The cash assistance is provided to, and accounts for the needs of, the parent(s) or other caretaker relative, as well as the dependent children (Section 402(a) and others, Social Security Act). Some States (those which did not have an AFDC-UP program in place as of September 26, 1988) are permitted to place a type of time limit on participation in the AFDC-UP program, restricting eligibility for AFDC-UP to 6 months in any 12-month period (Section 407 (b)). Thirteen states presently impose time limits on AFDC-UP eligibility. Under current law, however, no other type of time limits may be placed on participation in the AFDC program.

The proposal would impose a cumulative time limit of two years on the receipt of AFDC, with deferrals of and exemptions to the time limit to be granted under certain circumstances.

1. Definition of Time Limit

ISSUE I: Should it be a lifetime limit or a limit on the number of months of receipt over a certain period (for example, 24 months over a 60-month period)?

(a) The time limit would be a limit of 24 on the cumulative number of months of cash assistance an individual could receive unless he or she was deferred from the JOBS program. Months in which a recipient was deferred from the JOBS program (not required to participate) would not count against the 24-month time limit.

→ General perf. std for states, not indiv

→ MJB: NY State would litigate

(b) Months in which the State failed to substantially provide or arrange for the services specified in the employability plan, including child care, would also not count against the time limit. States would be required to establish a process to resolve claims by JOBS participants that services were not provided.

1 yr + 1 month in 4

(c) The time limit could take either of the following two forms:

CAP? or 36 mos?

1) A lifetime limit of 24 months (provided the individual was not deferred from JOBS participation during any of those 24 months), with persons able to earn back months for time spent not on assistance (see below).

MY VIEW WOULD BE: 1 mo. every 6 mo, no more than 6 mo total - (3 mo if state opt)

2) A limit of 24 months within a certain period. For example, a person could be limited to 24 months of cash assistance within a 60-month period (again, provided that the individual was not deferred during any of those 24 months).

(d) States would have the option of developing alternate time-limited systems consistent with the goals of the time-limited system in the welfare reform bill. Any alternative system would have to be approved by HHS before implementation.

MARRIAGE EXTENSION?

2. Applicability of Time Limits

ISSUE 1: Who in the household is subject to the time limit? Case Heads? Parents only? Children?

(a) The time limit would apply to the case head or, in a two-parent family, both the principal earner and the other parent. A caretaker relative would only be subject to the time limit if the caretaker relative's needs were taken into account in determining the cash assistance grant. A separate record of duration of cash assistance receipt would be kept for each individual subject to the time limit.

Increase CS on mons-dads

(b) Dependent children would not be subject to the time limit. A record of duration of cash assistance receipt would not be kept for persons in the household who were not the parent(s) or caretaker relative.

3. Teen Parents

ISSUE I: How should teen parents be treated under the time limit?

(a) Minor teen parents, including those living with a parent or relative, would not be deferred from participation in the JOBS program. The clock, however, would not begin to run until the teen parent turned 18. Months of cash assistance received before that date would not be counted against the time limit. Teen parents would be eligible for extensions of up to 24 months to complete high school (see Deferrals and Extensions below).

NO

HS + 3 mos.

4. Deferrals and Extensions

ISSUE I: What is the difference between deferrals and extensions?

Deferrals would be for recipients who had not yet reached the time limit for transitional assistance. A recipient could be deferred either prior to or after entry into the JOBS program. For example, if an individual became seriously ill after entering the JOBS program, he or she could be deferred from JOBS participation and consequently not subject to the time limit. Extensions, on the other hand, would be for persons who had reached the 24-month time limit for cash assistance.

EXAMPLE: An individual applies for cash assistance in January of 1996. She and her caseworker design an employability plan in March of 1996 and she begins participating in the JOBS program activities in the plan. In September 1996, her father becomes seriously ill and she is needed in the home to care for him. At that point, she is deferred from JOBS participation. Her deferment lasts for eleven months, until August 1997, when her father recovers and no longer requires full-time care. As of August 1997, she is eligible for 16 more months of cash assistance. She re-enters the JOBS program and reaches the 24-month time limit in December 1998. At that point, however, she is only four months from completing her Licensed Practical Nurse (LPN) training. She is then granted a 4-month extension to finish her LPN training.

(a) Extensions

States would be permitted to grant extensions of the time limit to individuals who had reached the two-year limit (see discussion above) under the following circumstances:

(1) For completion of high school, a GED program, other training program or educational activity expected to enhance employability, provided the individual is making satisfactory progress toward attaining a diploma or completing the program (extension limited to 24 months). such as...

(2) For completion of post-secondary education, provided the individual is enrolled in a work-study program or otherwise employed at least part-time and is making satisfactory progress toward attaining a degree (extension limited to 24 months).

(3) For persons who are learning disabled, illiterate or who face other substantial barriers to employment. This would include a learning disabled person whose employability plan to date has been designed to overcome that obstacle and who consequently has not yet obtained the job skills training needed to secure employment (extension not limited in duration).

The number of extensions that could be granted each year would be limited to a fixed percentage (10-30 percent) of the number of recipients scheduled to reach the two-year time limit during that year. States would be required to continue to provide supportive services as needed to persons who receive extensions of the time limit. ?

5. Earning Back Eligibility

ISSUE I: Should persons be able to earn back eligibility for assistance?

(a) Persons who had left the cash assistance program would earn back eligibility for months of cash assistance at a rate of one month of cash assistance eligibility for every three months during which the individual did not receive cash assistance. The total months of assistance for which an individual was eligible could never exceed 24. At State option, months spent working could be worth more with respect to earning back eligibility; for example, a month of cash assistance for each two months spent working. A month of work would be defined as a month in which the person was employed for an average of at least 20 hours per week or earned at least $400 and was not on assistance. No!

(b) Persons who left the WORK program would also be able to earn back months of cash assistance, just as described under 5.(a). States might be given the option to treat persons who reached the time limit for a second time and re-entered the WORK program differently from persons entering the WORK program for the first time (i.e., place re-entrants at the end of the waiting list for WORK assignments).

(c) States would be given the option of designing alternate methods of allowing persons to earn back months of assistance.

6. Job Search/Transition to Work

(a) Recipients would be required to engage in job search during a period of not less than 45 days (up to 90 days, at State option) immediately preceding the end of the time limit. The job search requirement does not preclude participation in other JOBS activities. Persons failing to participate in required job search would be subject to the same sanction as for non-participation in JOBS.

(b) States would have the option of providing additional months of cash assistance to recipients who found employment at the same time as their eligibility for cash assistance ended, to tide them over until the first paycheck (or first two paychecks).

(c) At State option, persons who had left the JOBS program for work would still be eligible for selected JOBS services, including case management.

(d) States would be required to continue providing transitional Medicaid benefits as under current law; States would be relieved of this requirement only if and when universal health care coverage is guaranteed within the State.

7. Phase-In

(a) States would be required to phase-in implementation of the time-limited system. For example, a State could apply the time limit only to first-time new applicants or only to recipients below a certain age. Alternately, the State could apply it to the entire caseload in selected counties. States would be required to reach full implementation—all persons not deferred from the JOBS program subject to the time limit—by a specified date.

WR SPECS
(JOBS - Time Limits)

TIME-LIMITING ASSISTANCE

Most of the people who enter the welfare system do not stay on AFDC for many years consecutively. It is much more common for recipients to move in and out of the welfare system, staying a relatively brief period each time. Two out of every three persons who enter the welfare system leave within two years and fewer than one in five spends five consecutive years on AFDC. Half of those who leave welfare, however, return within two years, and three of every four return at some point in the future. Most recipients use the AFDC program not as a permanent alternative to work, but as temporary assistance during times of economic difficulty.

While persons who remain on AFDC for long periods at a time represent only a modest percentage of all people who ever enter the system, however, they represent a high proportion of those on welfare at any given time. Although many face very serious barriers to employment, including physical disabilities, others are able to work but are not moving in the direction of self-sufficiency. Most long-term recipients are not on a track toward obtaining employment that will enable them to leave AFDC.

The two-year time limit is part of the overall effort to shift the focus of the welfare system from disbursing funds to promoting self-sufficiency through work. This time limit gives both recipient and the welfare agency a structure that necessitates steady progress in the direction of employment and economic independence. As discussed elsewhere, recipients who reach the two-year time limit without finding a private sector job will be offered publicly subsidized work assignments to enable them to support their families.

Current Law and Direction of Proposal

The AFDC program provides cash assistance to households in which needy children have been deprived of parental support (Section 401, Social Security Act), including two-parent households in which the principal earner is unemployed (AFDC-UP program, Section 407). Operating within broad Federal guidelines, States set standards used to determine need and payment. In order to be eligible for AFDC, the household's gross income cannot exceed 185 percent of the State's need standard (Section 402(a)), its countable income must be less than the need standard, and the total value of its assets must be below the limit set by the State.

The cash assistance is provided to, and accounts for the needs of, the parent(s) or other caretaker relative, as well as the dependent children (Section 402(a) and others, Social Security Act). Some States (those which did not have an AFDC-UP program in place as of September 26, 1988) are permitted to place a type of time limit on participation in the AFDC-UP program, restricting eligibility for AFDC-UP to 6 months in any 12-month period (Section 407(b)). Thirteen states presently impose time limits on AFDC-UP eligibility. Under current law, however, no other type of time limits may be placed on participation in the AFDC program.

The proposal would impose, on adults, a cumulative time limit of two years on the receipt of cash assistance, with deferrals of and extensions to the time limit to be granted under certain circumstances. Months in which a recipient was working part-time would not count against the time limit. The two-year limit would be renewable—once an individual left welfare, he or she would begin to earn

back eligibility for assistance.

1. Definition of Time Limit

(a) The time limit would be a limit of 24 on the cumulative number of months of cash assistance an individual could receive within any 120-month period. Months in which an individual was receiving assistance but was deferred from the JOBS program (not required to participate) would not count against the 24-month time limit.

2. Applicability of Time Limits

(a) The time limit would apply only to parents and needy caretaker relatives (for treatment of teen parents, see Teen Parents below). A record of the number of months of cash assistance received would be kept for each individual subject to the time limit. Non-needy caretaker relatives would not be subject to the time limit.

In a two-parent family, both parents would be subject to the time limit, provided neither parent was deferred from JOBS. The family would continue to be eligible for benefits so long as one of the two parents had not reached the time limit for transitional assistance. ??

EXAMPLE: A single father with two children who came onto the rolls twelve months ago marries a woman with no children and no prior welfare receipt. Both are required to participate in JOBS. The family at this point is eligible for twenty-four months of benefits. The marriage does not go well and they separate after ten months. The father and his children at this point are eligible for only two more months of cash assistance. If, on the other hand, the two had remained together, the family would have been eligible for fourteen more months of cash benefits.

Under current law, the second parent in a two-parent family is not exempted from participation in JOBS. If, however, a State chose to defer the second parent from JOBS, the second parent would not be subject to the time limit. The second parent would then be treated as any other deferred recipient--counted toward the maximum number of adult recipients a State is permitted to defer (see Deferrals in JOBS specifications). In such an instance, a two-parent family could be eligible for as many as 48 months of cash assistance, as opposed to 24 for a single-parent family. Again, this would only be the case if the second parent were deferred from the JOBS program.

RATIONALE: While the provision described above might be interpreted to favor two-parent families over single-parent households, its intent is actually to equalize treatment of one and two-parent families. Applying the time limit to a parent in a two-parent family who did not have access to JOBS services (due to deferral) but not to a deferred parent in a one-parent family would constitute, to some extent, a bias against two-parent families. NOTE: If a second parent were officially deferred but nonetheless participated in the JOBS program (i.e., as a volunteer) that second parent would be subject to the time limit. ?

(b) An individual who had reached the time limit for cash assistance would not be permitted to

act as a payee for his or her children. In other words, a parent who had received cash benefits for 24 months would not be able to, rather than enrolling in the WORK program, continue receiving cash benefits on behalf of his or her children (i.e., with the parent's needs no longer taken into account in determining the grant).

(c) Dependent children, other than teen custodial parents, would not be subject to the time limit. States would not be required to keep a record of duration of cash assistance receipt for persons in the household who were not the parent(s) or caretaker relative.

3. Teen Parents

(a) All teen parents would be required to participate in JOBS and would be subject to the 24-month time limit. The clock would begin to run upon receipt of assistance as a custodial parent. Custodial parents under 20 could receive cash benefits, even if they had reached the 24-month time limit, provided they were enrolled in high school or a GED program. After attaining a diploma or turning 20, they would still be eligible for the standard extension as described below (see Extensions below).

(b) Teen parents who reach the time limit and are not in school would be permitted to enroll in job search (and continue receiving cash benefits) for up to 3 months before entering the WORK program.

EXAMPLE: A teen mother begins receiving benefits as a custodial parent at age 15, with high school as her JOBS activity. At age 17, after two years on cash assistance, she leaves school before attaining her diploma. She participates in job search (unsuccessfully) for 3 months, after which she enrolls in the WORK program. At age 19, she decides to re-enter high school. By her 20th birthday, she is still six months from completing high school. She is granted an extension to get her diploma. At that point, if she were not able to find a private sector job, she would have to re-enter the WORK program.

RATIONALE: While a bit involved, the above structure, when distilled down to its essentials, permits any custodial parent under 20 who is in high school or a GED program to receive cash benefits. This would allow teen parents in the WORK program to go back to high school or enter a GED program.

4. Extensions

As noted in the JOBS specifications, extensions would be for individuals who had reached the 24-month time limit for cash benefits, while deferrals would be for persons who had not yet reached the limit (see Deferrals in the JOBS specifications for a further discussion of the difference between deferrals and extensions).

a) Extension policy would take one of two forms, similar to the two options under deferral policy.

OPTION ONE.
As with Option One under Deferrals in the JOBS specifications, the criteria for extensions of the time limit would not be specified in statute, but would be left to the discretion of States. The number of persons with extensions at any given time would be limited to a fixed percentage of adult recipients (4-5%).

OPTION TWO.
States would be permitted to grant extensions of the time limit under the circumstances listed below, up to the same limit (4-5% of adult recipients) as under Option One.

(1) For completion of high school, a GED program or other certificate-granting training program or educational activity expected to enhance employability, provided the individual is making satisfactory progress toward attaining a diploma or completing the program (extension limited to 24 months).

(2) For completion of post-secondary education, provided the individual is enrolled in a work-study program or otherwise employed at least part-time and is making satisfactory progress toward attaining a degree (extension limited to 24 months).

(3) For some persons who are learning disabled, illiterate or who face other substantial barriers to employment. This would include a seriously learning disabled person whose employability plan to date has been designed to overcome that obstacle and who consequently has not yet obtained the job skills training needed to secure employment (extension not limited in duration). These decisions would be made on a case-by-case basis.

(4) For persons who reached the time limit without having adequate access to the services specified in the employability plan. In instances in which a State failed to substantially provide the services, including child care, called for in the employability plan, the recipient would be eligible for an extension equal to the number of months needed to complete the activities in the employability plan (up to a limit of 24 months).

OPTION ONE VERSUS OPTION TWO: State flexibility with respect to extension policy is greater under Option One. Option Two, while permitting considerable State discretion in extension policy (see #3 above), provides some direction, in an attempt to discourage States from, for example, devoting virtually all extensions to JOBS participants who had proven difficult to serve. States could still do this under Option Two, but specifying completion of high school or other education and training programs as a criteria for extension might encourage States to make some extensions available for these purposes.

(b) Under either option, States would be required to continue providing supportive services as needed to persons who had received extensions of the time limit.

5. Part-Time Work

(a) Part-time work (for persons receiving cash assistance) would be treated as distinct from both participation in the JOBS program and deferral from the JOBS program.

(b) An individual working an average of 20 or more hours per week or earning at least $400 during the month would not be required to participate in the JOBS program but would not be considered deferred for purposes of calculating the percentage of adult recipients deferred.

(c) Months in which an individual worked part-time, as defined here, would not be counted against the time limit.

(d) State participation standards would be expressed as the percentage of adult recipients who were either in the JOBS program or working part-time.

6. Earning Back Eligibility

(a) Persons who had left the cash assistance program would earn back eligibility for months of cash assistance at a rate of one month of cash assistance eligibility for every four months during which the individual did not receive cash assistance. Individuals would not begin earning back assistance, however, until they had spent at least twelve consecutive months both not on cash assistance and not in the WORK program. The total months of assistance for which a person was eligible at any time could never exceed 24. 1 in 4 vs 1 in 6

EXAMPLE: An individual applies for assistance for the first time in January 1997, is not deferred from the JOBS program and enters a JTPA in-class vocational training program in March 1997. She obtains a private sector position and leaves the JOBS program in December of 1997. At that point, she is eligible for 13 months of cash assistance. Two years later, she is laid off from her job and is unable to find another. She re-applies for assistance in February 2000, 26 months after leaving welfare. At this point, she has earned back 3.5 months of cash assistance (26 total months minus the first year, for a net of 14 months, divided by 4), which, when added to the original 13 months, gives her 16.5 months of eligibility remaining.

NOTE: A generous earn-back provision could contribute to minimizing the number of people re-entering the WORK program.

(b) Persons who left the WORK program would also be able to earn back months of cash assistance, just as described above. States would have the option of enrolling WORK program re-entrants in job search for up to 3 months before placing them on the waiting list for WORK assignments (WORK program re-entrants would be eligible for cash benefits while participating in job search).

(c) States would be permitted to design alternate methods of allowing persons to earn back months of assistance.

7. Job Search/Transition to Work

(a) Recipients would be required to engage in job search during a period of not less than 45 days (up to 90 days, at State option) immediately preceding the end of the time limit. The job search requirement does not preclude participation in other JOBS activities.

Job search at the end, but also option of req at start of WORK

(b) An individual would not be permitted to enter the WORK program until he or she had completed the required 45-90 days of job search. In other words, a person who reached the time limit without having participated in job search for the last 45-90 days would not be permitted to either take a WORK assignment or go on the waiting list. An individual in this category would continue to have access to job search services, even after reaching the time limit, and would have to complete the required period of job search to be able to enter the WORK program. While fulfilling this requirement, a person in this category would not be eligible for cash benefits or for a WORK assignment.

(c) States would have the option of providing additional months of cash assistance to individuals who found employment just as their eligibility for cash assistance ended, if necessary to tide them over until the first paycheck.

EXAMPLE: January is the last month in which a recipient is eligible for cash benefits. At the end of January, he finds a job. He will not, however, receive his first paycheck until the end of February. The State would have the option of issuing a benefit check for the month of February, even though he reached the time limit in January. He could be required to reimburse the IV-A agency for the benefit check, with repayment to be stretched out over time.

(d) At State option, persons who had left the JOBS program for work would still be eligible for selected JOBS services, including case management, for up to 12 months.

(e) States would be required to continue providing transitional Medicaid benefits as under current law; States would be relieved of this requirement only if and when universal health care coverage were guaranteed within the State.

→ Add DOL IDEAS
- Perf. stds for providers
- Out of town job search
- Bonuses for employment + self employment
- charter

DRAFT: For discussion only February 8 (530)

WR-SPECS
JOBS + Time Limits

JOBS AND TIME LIMITS

1. PROGRAM ENROLLMENT

Current Law

The Family Support Act mandated that upon enrollment into the AFDC program, the State must make an initial assessment of applicants with respect to child care needs, skills of the applicant, prior work experience, and employability of the applicant. On the basis of this assessment, the State must develop an employability plan for the applicant. The State may require participants to enter into a formal agreement which specifies the participant's obligations under the program and the activities and services provided by the State. The employability plan is not considered a contract. States may require some applicants to undergo job search activities for 8 weeks and an additional 8 weeks for AFDC recipients.

Vision

At the point of the intake process, applicants will learn of their specific responsibilities and expectations regarding the JOBS program and time-limits. All States and applicants will now be required to enter into an agreement specifying the responsibilities of each party. This will be accomplished through a social contract and an employability plan. While the social contract will outline a general agreement, the employability plan will be focussed on the specific employment related needs of the applicant. Although these are not legal contracts, these agreements will serve to refocus the direction of the welfare program.

personal responsibility contract

Rationale

States must change the culture of the welfare system by changing the expectations of both applicants and case workers. This can be done by modifying the mission of the welfare system at the point of the intake process to stress the shift from eligibility and benefit determination to employment and access to education and training. The mutual obligations of the State and the participant must be spelled out and enforced. JOBS programs must continue to be utilized as an entity designed to link clients to services in the community.

pers. resp. K

(a) All applicants, upon enrollment, will be required to sign a Social Contract with the State specifying the responsibilities of both the participant and the State agency under the revised transitional assistance (JOBS) program and under a program of time-limited assistance.

(b) Upon enrollment, all applicants must be provided with information about the revised JOBS program and informed of their status regarding eligibility for transitional assistance, specifically the amount of time of remaining eligibility.

→ Upfront Job Search

(c) The Social Contract shall not be a legal contract.

DRAFT: For discussion only February 8

2. **EMPLOYABILITY PLAN**

(a) Change current SSA language that a State "may" require the participant to enter into an agreement with the State agency to follow the employability plan as developed to "must."

(b) Add language requiring States to complete the assessment and employability plan within a time-frame specified by the Secretary of Health and Human Services.

(c) The employability plan shall specify a time-frame for achieving self-sufficiency (pursuant to the sections regarding time-limited transitional benefits) and the prescribed activities shall reflect the needs of the participant to successfully meet this time-frame.

3. **DEFERRALS UNDER JOBS**

Current Law

States must require non-exempt AFDC recipients to participate in the JOBS program to the extent that resources are available. Exemptions under the current JOBS program are for those applicants and recipients who are ill, incapacitated, or of advanced age; needed in the home because of the illness or incapacity of another family member; the caretaker of a child under age 3 (or, at State option, age 1); employed more than 30 hours per week; a dependant child under age 16 or attending a full time educational program; women in the second and third trimester of pregnancy; and residing in an area where the program is not available. The parent of a child under age 6 (but older than the age for an exemption) who is personally providing care for the child may be required to participate only if participation requirements are limited to 20 hours per week and child care is guaranteed. For AFDC-UP families, the exemption relating to the age of a child may only apply to one parent, or to neither parent if child care is guaranteed.

Vision

Under new provisions, a greater number of participants will be JOBS mandatory. Single-parent and two-parent families will be treated similarly under the new JOBS system. The current exemption policy, which is based on an individual's characteristics, will be replaced with a policy which will allow for temporary deferment from participation requirements for good cause as determined by the State.

Rationale

In order to change the culture of welfare, it is necessary to stress the importance of full participation in the JOBS program. It is also important to ensure that all welfare recipients who are able to participate in JOBS have such services made available to them by the States. Elimination of exemptions sends a strong message that full participation in JOBS should be the normal flow of events, and not the exception. A limited deferment policy gives the States the flexibility to temporarily excuse recipients from participation who are unable due to good cause.

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(a) Adult recipients (see Teen Parents below for treatment of minor custodial parents) could be deferred from participation in the JOBS program either prior to or after entry into the program. For example, if an individual became seriously ill after entering the JOBS program, he or she could be deferred at that point. Months in which a recipient was deferred from the JOBS program would not count against the time limit.

EXAMPLE:
An individual applies for cash assistance in January of 1996. She and her caseworker design an employability plan in March of 1996 and she begins participating in the JOBS program activities in the plan. In September 1996, her father becomes seriously ill and she is needed in the home to care for him. At that point, she is deferred from JOBS participation. Her deferment lasts for eleven months, until August 1997, when her father recovers and no longer requires full-time care. As of August 1997, she is eligible for 16 more months of cash assistance. She re-enters the JOBS program and reaches the 24-month time limit in November 1998. At that point, however, she is only four months from completing her Licensed Practical Nurse (LPN) training. She is then granted a 4-month extension to finish her LPN training.

(b) Deferral policy would take the following form: ?

NOT DEFERRAL

PRE-JOBS

SEPARATE CATEGORY, certain expectations

? A parent of a child under one, provided the child was born either prior to or within 10 months of the family's most recent application for assistance, would be deferred from participation in the JOBS program. A parent of a child born more than 10 months after the most recent application for assistance would be deferred for a 120-day period following the birth of the child.

States would be permitted, in addition, to defer up to a fixed percentage (e.g., 20%), ?? with the number to be set by the Secretary, of all adult recipients under the following criteria or for good cause as determined by the State (see attachment on participation standards for discussion of the numerator and denominator for this calculation):

NUMBER

+ waiver authority

(1) Illness, including mental illness, incapacity or advanced age;
(Same as current law)
[see specifications on substance abuse for discussion of the approach for persons with drug or alcohol problems] NO

(2) Needed in the home to care for another member of the household who is ill or incapacitated;
(Same as current law)

(3) Second or third trimester of pregnancy; and
(Same as current law)

Second pregnancy ?

(4) Living more than two hours round-trip travel time (by public transportation or by car, whichever is applicable) from the nearest JOBS program site or activity.
(Same as current law, specifically CFR 250.30.5)

Dependent children, other than custodial parents, would not be required to participate in the JOBS program and would not be included in the denominator for the deferral calculation.

current law

state option

ISSUE: **Should States be required to defer persons meeting the criteria specified above, unless such persons volunteer to participate in JOBS (similar to current law)? Or should the criteria above be considered guidelines, with States permitted to require some persons meeting the criteria above to participate in JOBS, if appropriate?**

Guidelines

(c) Recipients who would otherwise be deferred from the JOBS program would be permitted to volunteer for the program, but such persons would then be subject to the time limit. [States would have the option of giving first consideration to volunteers but would not be required to do so.] DELETE

(d) When appropriate, persons deferred from the JOBS program would be required to engage in activities intended to prepare them for the JOBS program. The employability plan for a deferred recipient would detail the steps, such as finding permanent housing or obtaining medical care, needed to enable him or her to enter the JOBS program. Services for disabled persons could be made available as part of the pre-JOBS phase.

expectation, no sanction

Recipients not likely to ever participate in the JOBS program (e.g., those of advanced age) would not be required to engage in pre-JOBS activities, but would have access to pre-JOBS services. For individuals whose deferral is expected to end shortly in any event (e.g., mothers of young children), pre-JOBS activities would be intended to address barriers, if any, to successful participation in JOBS.

mothers < 1 = parenting classes

Basic skills for learning disabled

The pre-JOBS phase would not be as service-intensive as the JOBS program. States would not be required to guarantee child care or provide other supportive services for persons in the pre-JOBS phase. Monitoring would be relaxed considerably relative to JOBS. States would, however, have the option to sanction persons in the pre-JOBS phase for not following through with the steps in the employability plan.

→ self-initiated community service for ALL (self-reported)

RATIONALE FOR PRE-JOBS:
Requiring at least a modest number of recipients (e.g., 10% of those deferred, with the number to be determined by the Secretary) deferred from JOBS to participate in pre-JOBS activities would encourage States to devote some attention to deferred persons. A pre-JOBS phase might, to some extent, assuage concerns about the magnitude of the deferral rates.

4. DEFINITION OF TIME LIMIT

Current Law

The AFDC program provides cash assistance to households in which needy children have been deprived of parental support (Section 401, Social Security Act), including two-parent households in which the principal earner is unemployed (AFDC-UP program, Section 407). Operating within broad

Federal guidelines. States set standards used to determine need and payment. In order to be eligible for AFDC, the household's gross income cannot exceed 185 percent of the State's need standard (Section 402(a)), its countable income must be less than the need standard, and the total value of its assets must be below the limit set by the State.

The cash assistance is provided to, and accounts for the needs of, the parent(s) or other caretaker relative, as well as the dependent children (Section 402(a) and others, Social Security Act). Some States (those which did not have an AFDC-UP program in place as of September 26, 1988) are permitted to place a type of time limit on participation in the AFDC-UP program, restricting eligibility for AFDC-UP to 6 months in any 12-month period (Section 407(b)). Thirteen states presently impose time limits on AFDC-UP eligibility. Under current law, however, no other type of time limits may be placed on participation in the AFDC program.

Vision

Most of the people who enter the welfare system do not stay on AFDC for many years consecutively. It is much more common for recipients to move in and out of the welfare system, staying a relatively brief period each time. Two out of every three persons who enter the welfare system leave within two years and fewer than one in five spends five consecutive years on AFDC. Half of those who leave welfare, however, return within two years, and three of every four return at some point in the future. Most recipients use the AFDC program not as a permanent alternative to work, but as temporary assistance during times of economic difficulty.

While persons who remain on AFDC for long periods at a time represent only a modest percentage of all people who ever enter the system, however, they represent a high proportion of those on welfare at any given time. Although many face very serious barriers to employment, including physical disabilities, others are able to work but are not moving in the direction of self-sufficiency. Most long-term recipients are not on a track toward obtaining employment that will enable them to leave AFDC.

The proposal would impose, on adults, a cumulative time limit of two years on the receipt of cash assistance, with deferrals of and extensions to the time limit to be granted under certain circumstances. Months in which a recipient was working part-time would not count against the time limit. The two-year limit would be renewable—once an individual left welfare, he or she would begin to earn back eligibility for assistance.

The two-year time limit is part of the overall effort to shift the focus of the welfare system from disbursing funds to promoting self-sufficiency through work. This time limit gives both recipient and the welfare agency a structure that necessitates steady progress in the direction of employment and economic independence. As discussed elsewhere, recipients who reach the two-year time limit without finding a private sector job will be offered publicly subsidized work assignments to enable them to support their families.

(a) The time limit would be a limit of 24 on the cumulative number of months of cash assistance an adult could receive before being subject to the work requirement (see Teen Parents for treatment of custodial parents under 20). Months in which an individual was receiving

assistance but was deferred from the JOBS program (not required to participate) would not count against the 24-month time limit.

(b) The time limit, as indicated in (a) above, would be linked to JOBS participation. Recipients required to participate in JOBS would be subject to the time limit. Conversely, the clock would not run for persons deferred from JOBS participation.

5. **APPLICABILITY OF TIME LIMITS**

(a) The time limit would apply to parents (for treatment of teen parents, see Teen Parents below). A record of the number of months of cash assistance received would be kept for each individual subject to the time limit. Caretaker relatives would not be subject to the time limit.

In a two-parent family, both parents would be subject to the time limit, provided neither parent was deferred from JOBS. The family would continue to be eligible for benefits so long as one of the two parents had not reached the time limit for transitional assistance.

EXAMPLE:
A single father with two children who came onto the rolls twelve months ago marries a woman with no children and no prior welfare receipt. Both are required to participate in JOBS. The family at this point is eligible for twenty-four months of benefits. The marriage does not go well and they separate after ten months. The father and his children at this point are eligible for only two more months of cash assistance. If, on the other hand, the two had remained together, the family would have been eligible for fourteen more months of cash benefits.

Under current law, the second parent in a two-parent family is not exempted from participation in JOBS. If, however, a State chose to defer the second parent from JOBS, the second parent would not be subject to the time limit. The second parent would then be treated as any other deferred recipient--counted toward the maximum number of adult recipients a State is permitted to defer (see Deferrals above). In such an instance, a two-parent family could be eligible for as many as 48 months of cash assistance, as opposed to 24 for a single-parent family. Again, this would only be the case if the second parent were deferred from the JOBS program.

7

RATIONALE:
While the provision described above might be interpreted to favor two-parent families over single-parent households, its intent is actually to equalize treatment of one and two-parent families. Applying the time limit to a parent in a two-parent family who did not have access to JOBS services (due to deferral) but not to a deferred parent in a one-parent family would constitute, to some extent, a bias against two-parent families.
NOTE: If a second parent who would otherwise be deferred volunteered for the JOBS program, that second parent would be subject to the time limit.

6. **TEEN PARENTS**

(a) All custodial parents under 20 (hereafter teen parents) would be required to participate in the JOBS and would be subject to the 24-month time limit. The clock would begin to run upon receipt of assistance as a custodial parent.

(b) Teen parents who would otherwise have reached the time limit would receive an automatic extensions to age 18 (19 if enrolled in high school). These extensions would not be counted against the cap on extensions. Teen parents who received the automatic extension would still be eligible for the standard extensions (see Extensions).

(c) Teen parents who had reached the time limit, notwithstanding extensions, would be permitted to enroll in job search (and continue receiving cash benefits) for up to 3 months before entering the WORK program.

Work-Study Reqmts?

[see specifications on prevention for a discussion of all provisions in the plan concerning teen parents]

What proof do they have to show?

7. PART-TIME WORK

(a) Part-time work (for persons receiving cash benefits) would be treated as distinct from both participation in the JOBS program and deferral from the JOBS program.

WORK BONUS

(b) An individual working an average of at least 20 or more hours per week or and earning at least $400 during the month would not be required to participate in the JOBS program but would not be considered deferred for purposes of calculating the percentage of adult recipients deferred. States would have the option of requiring parents of children 6 and over to work at least 30 hours per week in order to be considered working part-time.

TIME LIMIT

(c) Months in which an individual worked part-time, as defined here, would not be counted against the time limit. Persons working part-time would be permitted to volunteer for the JOBS program. [Months in which an individual was working part-time and participating in the JOBS program would be counted against the time limit.] NO

- Diff Asset Tests, etc.

8. JOBS SERVICES AVAILABLE TO PARTICIPANTS

Fill the gap with State EITC

Babysit at $8/hr. 3 mo/yr in Calif. - 10 hrs @ $8 = on W. while you get degree at Berkeley

Current Law

A range of services and activities must be offered by States under the current JOBS program, but States are not required to implement JOBS uniformly in all parts of the State and JOBS programs vary widely among States. The services which must be included are: educational activities, including high school and equivalent education, basic literacy, and English proficiency; jobs skills training; job readiness activities; job development and job placement; and supportive services to the extent that these services are necessary for participation in JOBS. Supportive services include child care under a variety of circumstances, and transportation and work related expenses. States must also offer at least 2 of the following services: group and individual job search; on-the-job training (OJT); work supplementation programs (WSP); and community work experience programs (CWEP). There is a need to expand the definition and range of services available under JOBS. States would maintain the flexibility to determine the mix of JOBS services available and required for participants.

Vision

The definition of satisfactory participation in the JOBS program will be broadened to include activities that are important to helping individuals prepare for work and self-sufficiency. States will have broad latitude in determining which services are provided. Additionally, job search activities will be emphasized to promote work and employment.

(a) Amend job search rules to accomplish the following:

(1) Require States to include job search among the JOBS services offered;

(2) Extend permissible period of mandated job search for individual applicants to 12 weeks upon application from 8;

(3) Remove the requirement that job search after initial job-search period may only be required in combination with education and training; and

(4) Clarify the rules so as to limit job search to 4 months in any 12-month period. Initial job search would be counted against the 4-month limit, but the 45-90 days of job search required immediately before the end of the 2-year time limit (see Transition to Work/WORK) would not.

(b) Eliminate the requirement that States expend 55 percent of JOBS funds on services to the target groups.

(c) Change the anti-displacement language to permit work supplementation participants to be assigned to established unfilled vacancies in the private sector.

(d) Limit Alternative Work Experience to 90 days within any 12-month period (*by regulation*).

9. JOBS PARTICIPATION

Current Law

Under the Family Support Act of 1988 which established the JOBS program, certain minimum participation standards were established for fiscal years 1990-1995 for the AFDC caseload. States face a reduced federal match rate if those standards are not met. In FY 1993 at least 11% of the non-exempt caseload in each State must participate in JOBS. The standards increase to 15% for FY 1994 and 20% for FY 1995. There are no standards specified after FY 1995. There is a need to extend and increase minimum participation standards beyond 1995 in order to implement JOBS and transform the welfare system from an income support system into a work support system. The ACF current budget proposal for phase-in increase in participation standards for JOBS from the current level to 20% of non-exempt caseload in FY 1995, 25% for FY 1996, 30% for FY 1997, 35% for FY 1998, 40% FY 1999, 45% for FY 2000.

Vision

In order for the JOBS program to become the centerpiece of government assistance, the JOBS program must experience a dramatic expansion of both services and participants. Under the provisions of the new transitional assistance program, JOBS participation will be greatly expanded and increased participation rates will be phased-in until States reach a full-participation model. States will be given flexibility in designing systems to achieve these objectives.

ISSUE

ISSUE: What adjustments should be made to the 20 hour rule?

Drafting Specs

(a) Alter the definition of participation such that an individual enrolled full-time in an educational activity who was making suitable progress would be considered to be participating satisfactorily in JOBS (*by regulation*).

(b) Broaden the definition of JOBS participation to include participation in activities, other than the optional and mandatory JOBS services, which are consistent with the individual's employability plan (*again, by regulation*).

(c) Permit States to require a parent of a child under 6 to participate in JOBS for more than 20 hours per week (*prohibited under current law*).

10. SANCTIONS

Current Law

Sanctions for non-participation under the current JOBS program result in a loss in the portion of benefits for the individual not in compliance with required activities until the failure to comply ceases. In the event of subsequent non-compliance, the sanction is a minimum of 3 months for the second failure to comply, and a minimum of 6 months for all subsequent non-compliance. Additionally, the State cannot require a participant to accept employment if the net result to the family is a decrease in cash income.

For sanctioned two-parent families, both parents' shares of the total benefit are deducted from the family's grant, unless the second parent is participating satisfactorily in the JOBS program.

Vision

Under these provisions, States would gain some flexibility regarding sanction policy but much of the current sanction policy would remain intact.

(a) Program Interactions:

1. During sanction periods, assume an unsanctioned AFDC benefit when calculating benefits for other means-tested programs.

SANCTION AFDC + FS

impact?

2. Sanctioned families would still have complete access to other available services.

3. Sanctioned months would be considered months of receipt for calculating time-limits.

(b) Eliminate the requirement that States establish a conciliation process for resolution of disputes involving JOBS participation. States would still be required to provide an opportunity for a fair-hearing in such instances.

(c) Lift the prohibition against imposing a sanction on a parent of a child under 6 for failure to accept an offer of a 20-plus hour per week job.

(d) Change the statute such that for sanctioned two-parent families, the second parent's share of the benefit would not also be deducted from the grant, unless the second parent were also required to participate in JOBS and was similarly non-compliant.

11. TRANSITION TO WORK/WORK

(a) Persons would be required to engage in job search during a period of not less than 45 days (up to 90 days, at State option) before taking a WORK assignment. In most cases, the job search would be performed during the 45-90 days immediately preceding the end of the time limit. An individual who reached the time limit without having finished the 45-90 days of job search would not be eligible for a WORK assignment until the required period of job search was completed.

OFFERED A JOB, REQ'D TO TAKE IT

(b) Persons who through no fault of their own did not complete the required period of job search before reaching the time limit would continue to be eligible for cash benefits while finishing the 45-90 days. Individuals who had refused to perform this required job search, either before or after reaching the time limit, would not be able to receive cash benefits while completing the job search period.

(c) States would have the option of providing additional months of cash assistance to individuals who found employment just as their eligibility for cash assistance ended, if necessary to tide them over until the first paycheck.

EXAMPLE:
January is the last month in which a recipient is eligible for cash benefits. At the end of January, he finds a job. He will not, however, receive his first paycheck until the end of February. The State would have the option of issuing a benefit check for the month of February, even though he reached the time limit in January.

(d) At State option, persons who had left the JOBS program for work would still be eligible for selected JOBS services, including case management.

(e) States would be required to continue providing transitional Medicaid benefits as under current law; States would be relieved of this requirement only if and when universal health care coverage were guaranteed within the State.

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12. **EXTENSIONS**

(a) States would be required to grant extensions to persons who reached the time limit without having adequate access to the services specified in the employability plan. In instances in which a State failed to substantially provide the services, including child care, called for in the employability plan, the recipient would be eligible for an extension equal to the number of months needed to complete the activities in the employability plan (up to a limit of 24 months). **[Michael Wald is developing language for this provision]**

States would also be permitted to grant extensions of the time limit under the circumstances listed below, up to a fixed percentage (e.g., 10%, see participation standards attachment for numerator and denominator), to be set by the Secretary, of adult recipients (persons granted extensions due to State failure to deliver services, as discussed above, would be included under the cap).

(1) For completion of a GED program (extension limited to 12 months)

(2) For completion of high school, an English as a Second Language (ESL) program or other certificate-granting training program or educational activity, including post-secondary education, expected to enhance employability. The extension is contingent on the individual's making satisfactory progress toward attaining a diploma or completing the program (extension limited to 24 months).

(3) For <u>some</u> persons who are learning disabled, illiterate or who face other substantial barriers to employment. This would include a seriously learning disabled person whose employability plan to date has been designed to overcome that obstacle and who consequently has not yet obtained the job skills training needed to secure employment (extension not limited in duration). These decisions would be made on a case-by-case basis. FROM END

(b) States would be required to continue providing supportive services as needed to persons who had received extensions of the time limit.

13. **EARNING BACK ELIGIBILITY**

(a) Persons who had left the cash assistance program would earn back eligibility for months of cash assistance at a rate of one month of cash assistance eligibility for every four months during which the individual did not receive cash assistance and was not in the WORK program. The total months of assistance for which a person was eligible at any time could never exceed 24. 6 mos. 3 mos. limit

EXAMPLE:
An individual applies for assistance for the first time in January 1997, is not deferred from the JOBS program and enters a JTPA in-class vocational training program in March 1997. She obtains a private sector position and leaves the JOBS program in December of 1997. At that point, she is eligible for 13 months of cash assistance. Two years later, she is laid off from her job and is unable to find another. She re-applies for assistance in February 2000, 26

months after leaving welfare. At this point, she has earned back 6.5 months of cash assistance (26 total months divided by 4), which, when added to the original 13 months, gives her 19.5 months of eligibility remaining.

NOTE: A generous "earn-back" provision could contribute to minimizing the number of people re-entering the WORK program.

(b) Persons who left the WORK program would also be able to earn back months of cash assistance, just as described above.

(c) States would be permitted, subject to the approval of the Secretary of HHS, to implement alternate "earn-back" strategies.

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B. IMPROVING ACCESS TO MAINSTREAM EDUCATION, TRAINING AND SELF-EMPLOYMENT OPPORTUNITIES

Current law

Under the Family Support Act, the Governor of each State is required to ensure that program activities under JOBS are coordinated with JTPA and other relevant employment, training, and educational programs available in the State. Appropriate components of the State's plan which relate to job training and work preparation must be consistent with the Governor's coordination plan. The State plan must be reviewed by a coordinating council.

Vision

The mission of the JOBS program will not be to create a separate education and training system for welfare recipients, but rather to ensure that they have access to and information about the broad array of existing programs in the mainstream system. The JOBS program needs to be redesigned to permit States to integrate other employment and training programs into the JOBS program, and to implement "one-stop shopping" education and training programs. Under current law, states are required to coordinate their JTPA and JOBS programs. The quality of those linkages varies considerably. Existing barriers are statutory and traditional; others are regulatory and policy. The barriers to better coordination need to be examined and addressed.

ISSUES

OPTION 2: Secretaries of HHS, Labor, and Education shall plan and coordinate education and training programs to encourage participation of JOBS participants and simplifies eligibility for such programs. A waiver board shall be assembled to examine eligibility issues and make recommendations to promote expanded participation, coordinated programs, and simplified and standardized eligibility. Included in such programs shall be:

(1) Pell Grant;
(2) JTPA;
(3) apprenticeship programs; and
(4) JOBS programs.

NOTE: Options 3 and 4 were furnished by DOL and involve full integration of JOBS and JTPA.

OPTION 3: **Full Integration of JOBS-JTPA:** Run a fully integrated JOBS and JTPA program, co-located at the service delivery area, with one-stop arrangements for JOBS participants and JTPA Title II-A participants. Governors of each State would designate which agencies were responsible for administration. (The IV-A agencies would not have automatic responsibility.) States would have flexibility to include additional services for target populations in addition to basic services. Basic core services provided would include:

(1) information on career, jobs, education training opportunities, and support services;
(2) eligibility assessment;
(3) testing and assessment;
(4) counseling;
(5) job search assistance (group and individual); and
(6) job placement.

Intensive services either on-site or brokered would include:
(1) drop-in child care;
(2) education;
(3) training;
(4) work experience; and
(5) supportive services.

OPTION 4: **Joint planning and administration between JOBS and JTPA:** Under this option, the Governor of each State could require a joint plan from the two agencies indicating how responsibilities would be sorted out for the 2 year transitional period and the post-transitional period. Current law specifies joint review of plan; joint sign-off would be substituted.

Drafting Specs

1. COORDINATED EFFORTS

(a) Department of Education proposes: Amend the language in SSA section 483(a) which requires that there be coordination between JTPA, JOBS and education programs available in the State to specifically require coordination with the Adult Education Act and Carl D. Perkins Vocational Educational Act.

(b) Department of Education proposes: The State JOBS plan must be consistent basic literacy and job training goals and objectives of the plans required by the Adult Education Act and the Carl D. Perkins Vocational Education Act.

(c) Department of Education proposes: Require employability plan to contain explicit consideration of basic literacy and employment skills.

(d) Department of Education proposes: enhanced case management services be available to participants to maximize coordination of services.

C. CONSOLIDATING THE FNS EMPLOYMENT & TRAINING PROGRAM

FNS staff have provided the following options for our consideration for inclusion as part of the current round of welfare. These options involve the Food Stamp Education and Training (E&T) program.

OPTION 1: Conforming the Food Stamp E&T program with JOBS.

1. CONFORM NON-COMPLIANCE SANCTIONS WITH JOBS NON-COMPLIANCE SANCTIONS

Currently, the sanction for non-compliance with Food Stamp work requirements affects the entire household. Under AFDC-JOBS, the sanction affects only the individual not in compliance. Recommendation: conform to E&T policy with JOBS sanction policy.

(a) Eliminate the distinction between individual and household ineligibility arising from non-compliance with work requirements.

(b) Eliminate the requirements governing the designation of head of household for E&T purposes.

(c) Adopt provision of AFDC-JOBS sanction periods for E&T.

2. E&T EXPENSE REIMBURSEMENT

Currently, the Food Stamp E&T program provides payments or reimbursements to individuals for transportation and other expenses (excluding dependent care) related to participation in the program. Participants receive payments for actual costs up to $25 per month for expenses deemed necessary for participation in the E&T program. The Federal government matches up to half of the amount State agencies spend, up $12.50 of the $25. State may supplement the amount without additional matching funds from the Federal government. The JOBS program provides reimbursement to participants for transportation and other costs necessary to enable individuals to participate in JOBS. The Federal government matches the State agency costs up to 50%. State agencies describe in their State plans the monetary limits to be applied to transportation and other support services. Recommendation: conform E&T reimbursement policy with JOBS policy.

(a) Conform Food Stamp E&T reimbursement policy to JOBS reimbursement policy by eliminating the $25 maximum and allowing State agencies to specify monetary limits to be applied to transportation and related expenses.

3. FOOD STAMP E&T DEPENDENT CARE EXEMPTIONS

The Food Stamp E&T program allows State agencies to exempt certain individuals from participation in program activities. Currently, State agencies may exempt from work registration a parent or other household member who is responsible for the care of a dependent child under age 6 or an incapacitated person. State agency may require the parent or other caretaker relative of a child under age 6 to participate in JOBS. However, mandatory individual must be assured by the State

agency that child care will be guaranteed and that s/he will not be required to participate more than 20 hours per week. A parent or relative who is personally providing care for a child under age 3 (or younger at State option) is automatically exempt from JOBS participation. Conforming Food Stamp E&T exemption provisions for dependent caretakers to the JOBS criteria would require a greater percentage of the Food Stamp population to register for work at the time of application for benefits, thereby reaching a greater proportion of the employable Food Stamp population.
Recommendation: conform E&T exemption provisions with JOBS criteria.

4. PERFORMANCE FUNDING FOR FOOD STAMP E&T

Currently, the Food Stamp E&T program distributes $75 million as a Federal grant to State agencies for the administration of their E&T programs. Of this $75 million, $60 million is distributed according to each State's proportion of work registrants (nonperformance funding), while the remaining $15 million is based on State program performance. This option would eliminate the $15 million performance funding category for Food Stamp E&T. The USDA would distribute the entire $75 million based on the nonperformance formula.
Recommendation: eliminate the $15 million performance funding category.

(a) Eliminate the $15 million performance funding category for Food Stamp E&T.

(b) Distribution of Federal funds for E&T will be based according to each State's proportion of work registrants.

OPTION 2: Consolidating E&T with JOBS

State agencies stress that serving similar populations with different program rules and funding structures increases the complexity of the programs and their resulting ability to operate the program effectively. Consolidating the E&T program with JOBS would result in a more effective overall administration of Federal employment and training programs. While the program would continue to serve recipients of public assistance and those not receiving public assistance (NPA), the administrative burden associated with the operation of 2 separate Federal employment and training programs would be eliminated.

NOTE: Is this a potential avenue for incorporating the employment & training needs of non-custodial parents?

1. FUNDING

Currently, USDA distributes $75 million in a 100% grant to State agencies to administer their E&T programs. States that choose to spend more than their 100% grant can receive a 50% Federal match for administrative costs. Legislation could conform match rates for E&T services with JOBS match rates. If transferred to HHS, consolidating funding structures and Federal financial requirements for the 2 programs would greatly reduce the administrative burden for State operating agencies.

OPTION: Alternative funding streams for a consolidated model include:

(i) transferring funds from USDA to HHS;

(ii) USDA funding States directly through contracts

(iii) funding appropriated directly to HHS.

2. MINIMUM PARTICIPATION REQUIREMENTS

In FY 1990 and FY 1991 States were required to place no fewer than 50% of their E&T mandatory population into E&T activities. This performance standard was lowered to 10% for FY 1992 and beyond.

OPTION: As a way to ensure continued participation in employment and training activities by Food Stamp recipients, HHS would direct State agencies to serve a minimum number of NPAs, possibly based on the current 10% required participation rate. The lowered standard allows for more intensive services. States would specify in their State JOBS plans how this population would be served and how participation requirements would be met.

D. DEMONSTRATIONS

(a) The Secretary shall authorize demonstration projects to test the effects of different State policies with regards to allowing activities not directly related to the goal of labor force attachment and referral to other nontraditional services to be (or not be) considered JOBS activities.

(b) The Secretary shall promote employment and training approaches which are directly oriented toward employment through demonstration projects to test the effectiveness of various approaches, including greater use of performance based contracting, work-based and contextual learning programs, and programs which integrate educational and training services.

(c) The Secretary shall allow States to utilize micro-enterprise and other similar self-employment strategies as a JOBS option on a demonstration basis.

(d) The Secretary shall undertake a demonstration project to test the effectiveness of contracting job placement services to be evaluated using a random assignment methodology.

(e) **Move to demo section.** Allow for State demonstrations to test different policies regarding the requirement that applicants participate immediately in an employment related activity versus allowing for a grace period before such requirements commence, or requiring non-employment oriented activities (family stabilization model), in conjunction with case plans.

(f) **Move to demo section.** Alternative models to be tested include welfare diversion models, in which case an alternative benefit payment for a specified period of time (3-6 months) may be an effective means to divert families in crisis from entering the welfare system. If family subsequently receives AFDC, months of alternative benefit receipt count when calculating a time limit.

WR SPECS -
JOBS - TIME LIMITS

Draft - for discussion only March 14

JOBS AND TIME LIMITS

CONFIDENTIAL

1. PROGRAM ENROLLMENT

Current Law

The Family Support Act mandated that upon enrollment into the AFDC program, the State must make an initial assessment of applicants with respect to child care needs, skills of the applicant, prior work experience, and employability of the applicant. On the basis of this assessment, the State must develop an employability plan for the applicant. The State may require participants to enter into a formal agreement which specifies the participant's obligations under the program and the activities and services provided by the State. The employability plan is not considered a contract. States may require some applicants to undergo job search activities for 8 weeks and an additional 8 weeks for AFDC recipients.

Vision

At the point of the intake process, applicants will learn of their specific responsibilities and expectations regarding the JOBS program and time limits. All States and applicants will now be required to enter into an agreement specifying the responsibilities of each party. This will be accomplished through a mutual responsibility agreement and an employability plan. While the mutual responsibility agreement will outline a general agreement, the employability plan will be focussed on the specific employment-related needs of the applicant. Although these are not legal contracts, these agreements will serve to refocus the direction of the welfare program.

Rationale

States must change the culture of the welfare system by changing the expectations of both applicants and case workers. This can be done by modifying the mission of the welfare system at the point of the intake process to stress the shift from eligibility and benefit determination to employment and access to education and training. The mutual obligations of the State and the participant must be spelled out and enforced. JOBS programs must continue to be utilized as an entity designed to link clients to services in the community.

(a) All applicants, upon enrollment, will be required to sign a Mutual Responsibility Agreement with the State specifying the general responsibilities of both the participant and the State agency under the revised transitional assistance program.

(b) Upon enrollment, all applicants must be provided with information about the revised JOBS program and the time limit on cash assistance. Each applicant would be informed of the number of months of cash assistance for which he or she was eligible (e.g., 24 for first-time applicants).

(c) The Mutual Responsibility Agreement shall not be a legal contract.

2. **EMPLOYABILITY PLAN**

(a) Change current Social Security Act language that a State "may" require the participant to enter into an agreement with the State agency to follow the employability plan as developed to "must."

(b) Add language requiring States to complete the assessment and employability plan within a period of time (e.g., 90 days from date of application) specified by the Secretary of Health and Human Services.

(c) The employability plan shall specify a time frame for achieving self-sufficiency and the prescribed activities would be designed to enable the participant to obtain employment within this time period.

(d) Amend section 482(b)(1)(A) by adding "literacy" after the word "skills."

3. **JOBS-PREP**

Current Law

States must require non-exempt AFDC recipients to participate in the JOBS program to the extent that resources are available. Exemptions under the current JOBS program are for those applicants and recipients who are ill, incapacitated, or of advanced age; needed in the home because of the illness or incapacity of another family member; the caretaker of a child under age 3 (or, at State option, age 1); employed more than 30 hours per week; a dependant child under age 16 or attending a full time educational program; women in the second and third trimester of pregnancy; and residing in an area where the program is not available. The parent of a child under age 6 (but older than the age for an exemption) who is personally providing care for the child may be required to participate only if participation requirements are limited to 20 hours per week and child care is guaranteed. For AFDC-UP families, the exemption relating to the age of a child may only apply to one parent, or to neither parent if child care is guaranteed.

Vision

Under new provisions, a greater number of participants will be JOBS-mandatory. Single-parent and two-parent families will be treated similarly under the new JOBS system. The current exemption policy, which is based on an individual's characteristics, will be replaced with a policy under which persons not yet ready for participation in JOBS will be assigned to the JOBS-Prep phase.

Rationale

In order to change the culture of welfare, it is necessary to stress the importance of full participation in the JOBS program. It is also important to ensure that all welfare recipients who are able to participate in JOBS have such services made available to them by the States. Elimination of exemptions sends a strong message that full participation in JOBS should be the normal flow of

events, and not the exception. The JOBS-Prep policy gives States the ability to consider differences in the ability to work and participate in education and training activities.

(a) Adult recipients (see Teen Parents below for treatment of minor custodial parents) who were not able to work or participate in education or training activities (e.g., due to care of a disabled child) could be assigned to the JOBS-Prep phase either prior to or after entry into the JOBS program. For example, if an individual became seriously ill after entering the JOBS program, he or she would then be placed in JOBS-Prep status.

(b) Persons in the JOBS-Prep phase would be expected to engage in activities intended to prepare them for employment and/or the JOBS program. The employability plan for a recipient in JOBS-Prep status would detail the steps, such as finding permanent housing or obtaining medical care, needed to enable him or her to enter the JOBS program.

Recipients not likely to ever participate in the JOBS program (e.g., those of advanced age) would not be expected to engage in JOBS-Prep activities. For individuals whose are expected to enter the JOBS program shortly in any event (e.g., mothers of young children), JOBS-Prep services could be provided, when appropriate, to address any outstanding barriers to successful participation in JOBS.

(c) No funds would be set aside for services to persons in JOBS-Prep status. States could provide services to individuals in the JOBS-Prep phase, using JOBS funds, but would not be required to do so. Likewise, States would not be required to guarantee child care or provide other supportive services for persons in JOBS-Prep status. Persons in JOBS-Prep status would not be subject to sanction for failure to participate in JOBS-Prep activities. In other words, in order to actually require an individual to participate in an activity, a State would have to make him or her JOBS-mandatory.

LEAVE OUT

everybody does something

NO!

If this is where a lot of people end up, it won't be cushy

(d) States would be required to maintain an employability plan for persons in JOBS-Prep status.

(e) Persons in JOBS-Prep would not be subject to the time limit, e.g., months in which a recipient was assigned to JOBS-Prep would not count against the two-year limit on cash benefits.

EXAMPLE:
An individual applies for cash assistance in January of 1996. She and her caseworker design an employability plan in March of 1996 and she begins participating in the JOBS program activities in the plan. In September 1996, her father becomes seriously ill and she is needed in the home to care for him. At that point, she is placed in the JOBS-Prep phase. Her father's condition improves and by August 1997 he no longer requires full-time care. As of August 1997, she is eligible for 16 more months of cash assistance. She re-enters the JOBS program and reaches the 24-month time limit in November 1998. At that point, however, she is only four months from completing her Licensed Practical Nurse (LPN) training. She is then granted a 4-month extension to finish her LPN training.

(f) The criteria for JOBS-Prep status would be the following:

(1) A parent of a child under one, provided the child was conceived prior to the family's most recent application for assistance, would be assigned to the

JOBS-Prep phase. A parent of a child conceived after the most recent application for assistance would be placed in JOBS-Prep for a twelve-week period following the birth of the child (consistent with the Family and Medical Leave Act).

State option to under 12 wks.

(Under current law, parents of a child under three, under one at State option, are exempted from JOBS participation, and no distinction is made between children conceived before and children conceived after application for assistance)

(2) Illness, including mental illness, incapacity or advanced age;
(Same as current law)
[see specifications on substance abuse for discussion of the approach for persons with drug or alcohol problems]

(3) Needed in the home to care for another member of the household who is ill or incapacitated;
(Same as current law)

(4) Third trimester of pregnancy; and
(Under current law, pregnant women are exempted from JOBS participation for both the second and third trimesters)

(5) Living more than two hours round-trip travel time (by public transportation or by car, whichever is applicable) from the nearest JOBS program site or activity.
(Same as current law, specifically CFR 250.30.5)

(g) States would be permitted, in addition, to place up to 5% of all adult recipients (and minor parents) in JOBS-Prep for good cause as determined by the State. The percentage would be specified in statute. — NO

(h) Recipients who meet the criteria for placement in the JOBS-Prep phase would be permitted to volunteer for the JOBS program. States would have the option to apply the time limit to such persons and would be required to notify each volunteer as to whether he or she were subject to the time limit.

(i) States would be required to promptly inform a recipient of any change in his or her status with respect to JOBS participation and/or the time limit (e.g., movement from the JOBS-Prep phase into the JOBS program).

4. Definition of Time Limit

Current Law

The AFDC program provides cash assistance to households in which needy children have been deprived of parental support (Section 401, Social Security Act), including two-parent households in which the principal earner is unemployed (AFDC-UP program, Section 407). Operating within broad

Federal guidelines, States set standards used to determine need and payment. In order to be eligible for AFDC, the household's gross income cannot exceed 185 percent of the State's need standard (Section 402(a)), its countable income must be less than the need standard, and the total value of its assets must be below the limit set by the State.

The cash assistance is provided to, and accounts for the needs of, the parent(s) or other caretaker relative, as well as the dependent children (Section 402(a) and others, Social Security Act). Some States (those which did not have an AFDC-UP program in place as of September 26, 1988) are permitted to place a type of time limit on participation in the AFDC-UP program, restricting eligibility for AFDC-UP to 6 months in any 12-month period (Section 407(b)). Thirteen states presently impose time limits on AFDC-UP eligibility. Under current law, however, no other type of time limits may be placed on participation in the AFDC program.

Vision

Most of the people who enter the welfare system do not stay on AFDC for many years consecutively. It is much more common for recipients to move in and out of the welfare system, staying a relatively brief period each time. Two out of every three persons who enter the welfare system leave within two years and fewer than one in five spends five consecutive years on AFDC. Half of those who leave welfare, however, return within two years, and three of every four return at some point in the future. Most recipients use the AFDC program not as a permanent alternative to work, but as temporary assistance during times of economic difficulty.

While persons who remain on AFDC for long periods at a time represent only a modest percentage of all people who ever enter the system, however, they represent a high proportion of those on welfare at any given time. Although many face very serious barriers to employment, including physical disabilities, others are able to work but are not moving in the direction of self-sufficiency. Most long-term recipients are not on a track toward obtaining employment that will enable them to leave AFDC.

The proposal would impose, on adults, a cumulative time limit of two years on the receipt of cash assistance, with deferrals of and extensions to the time limit to be granted under certain circumstances. Months in which a recipient was working part-time would not count against the time limit. The two-year limit would be renewable--once an individual left welfare, he or she would begin to earn back eligibility for assistance.

The two-year time limit is part of the overall effort to shift the focus of the welfare system from disbursing funds to promoting self-sufficiency through work. This time limit gives both recipient and the welfare agency a structure that necessitates steady progress in the direction of employment and economic independence. As discussed elsewhere, recipients who reach the two-year time limit without finding a private sector job will be offered publicly subsidized work assignments to enable them to support their families.

(a) The time limit would be a limit of 24 on the cumulative number of months of cash assistance an adult could receive before being subject to the work requirement (see Teen Parents for treatment of custodial parents under 19). Months in which an individual was receiving

assistance but was in JOBS-Prep rather than in JOBS would not count against the 24-month time limit.

(b) The time limit, as indicated in (a) above, would generally be linked to JOBS participation. Recipients required to participate in JOBS would be subject to the time limit. Conversely, the clock would not run for persons assigned to JOBS-Prep status.

(c) States would be required to update each adult recipient every month as to the number of months of eligibility remaining for him or her.

5. **APPLICABILITY OF TIME LIMITS**

(a) The time limit would apply to parents (for treatment of teen parents, see Teen Parents below). A record of the number of months of eligibility for cash assistance remaining would be kept for each individual subject to the time limit. Caretaker relatives would not be subject to the time limit.

(b) In a two-parent family, both parents would be subject to the time limit, provided neither parent was placed in JOBS-Prep status. The family would continue to be eligible for benefits so long as one of the two parents had not reached the time limit for transitional assistance.

EXAMPLE:
A single father with two children who came onto the rolls twelve months ago marries a woman with no children and no prior welfare receipt. Both are required to participate in JOBS. The family at this point is eligible for twenty-four months of benefits. The marriage does not go well and they separate after ten months. The father and his children at this point are eligible for only two more months of cash assistance. If, on the other hand, the two had remained together, the family would have been eligible for fourteen more months of cash benefits.

Under current law, the second parent in a two-parent family is not exempted from participation in JOBS. If, however, a State chose to place the second parent in JOBS-Prep status, the second parent would not be subject to the time limit. The second parent would then be counted toward the maximum number of adult recipients (and minor parents) a State is permitted to place in the JOBS-Prep phase. In such an instance, a two-parent family could be eligible for as many as 48 months of cash assistance, as opposed to 24 for a single-parent family. Again, this would only be the case if the second parent were not required to participate in JOBS.

RATIONALE:
While the provision described above might be interpreted to favor two-parent families over single-parent households, its intent is actually to equalize treatment of one and two-parent families. Applying the time limit to a parent in a two-parent family who did not have access to JOBS services (due to placement in JOBS-Prep) but not to a single parent assigned to JOBS-Prep would constitute, to some extent, a bias against two-parent families.

NOTE: If a second parent who would otherwise be placed in JOBS-Prep status volunteered for the JOBS program, that second parent would be subject to the time limit.

6. **TEEN PARENTS**

(a) All custodial parents under 19 who had not completed high school or the equivalent (e.g., a GED program) would be required to participate in the JOBS program, with education as the presumed activity. The 24-month time clock, however, would not begin to run until a custodial parent turned 18. In other words, months of receipt as a custodial parent before the age of 18 would not be counted against the time limit.

(b) Custodial parents under 19 with very young children would in general be required to participate in JOBS, rather than be placed in JOBS-Prep status. States would be permitted to assign such parents to JOBS-Prep status in exceptional circumstances, for example, when the parent has a serious illness which precludes school attendance.

(c) Nineteen-year-old custodial parents would be subject to the same rules with respect to placement in JOBS-Prep status and to the time limit as all other adult recipients. Education would, as under current law, be the presumed activity for nineteen-year-old custodial parents who had not completed high school or the equivalent and were required to participate in JOBS.

(d) Individuals who were in special education would receive an automatic extension up to age 21 if needed to complete high school. **[more detailed language forthcoming from Department of Education]** These extensions would not be counted against the cap on extensions.

(e) States would be required to provide comprehensive case management services to all custodial parents under 19 (under 20 if enrolled in high school). / NO

[see Promote Parental Responsibility and Prevent Teen Pregnancy specifications for a discussion of all provisions in the plan concerning teen parents, including further detail on comprehensive case management.]

7. **JOBS SERVICES AVAILABLE TO PARTICIPANTS**

Current Law

A range of services and activities must be offered by States under the current JOBS program, but States are not required to implement JOBS uniformly in all parts of the State and JOBS programs vary widely among States. The services which must be included are: educational activities, including high school and equivalent education, basic literacy, and English proficiency; jobs skills training; job readiness activities; job development and job placement; and supportive services to the extent that these services are necessary for participation in JOBS. Supportive services include child care under a variety of circumstances, and transportation and work related expenses. States must also offer at least 2 of the following services: group and individual job search; on-the-job training (OJT); work supplementation programs (WSP); and community work experience programs (CWEP). There is a need to expand the definition and range of services available under JOBS. States would maintain the flexibility to determine the mix of JOBS services available and required for participants.

Vision

The definition of satisfactory participation in the JOBS program will be broadened to include activities that are important to helping individuals achieve self-sufficiency. States will have broad latitude in determining which services are provided. Additionally, job search activities will be emphasized to promote work and employment.

(a) Amend job search rules to accomplish the following:

(1) Require States to include job search among the JOBS services offered;

(2) Extend permissible period of initial job search from 8 weeks to 12;

Option One: Require all persons to perform job search from the date of application.

Option Two: Require all job-ready persons to perform job search from the date of application. States would have to enroll a certain percentage of applicants in job search. 50% | JOBS

Option Three: Same as Options One or Two, except that the job-search requirement would kick in after eligibility determination, rather than after application.

Option Four: Require job search to be the first activity in the employability plan.

Option Five: State discretion

(3) Remove the requirement that job search after initial job-search period may only be required in combination with education and training; and

(4) Clarify the rules so as to limit job search to 4 months in any 12-month period. Initial job search would be counted against the 4-month limit, but the 45-90 days of job search required immediately before the end of the 2-year time limit (see Transition to Work/WORK) would not.

(b) Eliminate the requirement that States expend 55 percent of JOBS funds on services to the target groups.

(c) Change the anti-displacement language to permit work supplementation participants to be assigned to established unfilled vacancies in the private sector.

(d) Limit Alternative Work Experience to 90 days within any 12-month period (*by regulation*).

(e) Amend section 482(d)(1)(A) by replacing "basic and remedial education to achieve a basic literacy level" with "employment-oriented education to achieve literacy levels needed for economic self-sufficiency."

8. PART-TIME WORK

[Detailed specifications awaiting resolution of key questions]

9. JOBS PARTICIPATION

Current Law

Under the Family Support Act of 1988 which established the JOBS program, certain minimum participation standards were established for fiscal years 1990-1995 for the AFDC caseload. States face a reduced federal match rate if those standards are not met. In FY 1993 at least 11% of the non-exempt caseload in each State must participate in JOBS. The standards increase to 15% for FY 1994 and 20% for FY 1995. There are no standards specified after FY 1995. There is a need to extend and increase minimum participation standards beyond 1995 in order to implement JOBS and transform the welfare system from an income support system into a work support system.

Vision

In order for the JOBS program to become the centerpiece of government assistance, the JOBS program must experience a dramatic expansion of both services and participants. Under the provisions of the new transitional assistance program, JOBS participation will be greatly expanded and increased participation rates will be phased-in until States reach a full-participation model. States will be given flexibility in designing systems to achieve these objectives.

(a) The FY 1995 participation standard (20 percent) would be extended with respect to persons not phased-in (there are no participation standards in current law for FY 96 and beyond). For example, if the phase-in of the new rules began with adult recipients and minor parents born *in 1973 or later*, States would be required to meet a 20 percent participation standard (basically, 20% of non-exempt recipients participating in JOBS) with respect to persons born *before 1973*.

(b) Alter the definition of participation such that an individual enrolled full-time in an educational activity who was making suitable progress would be considered to be participating satisfactorily in JOBS, even if such a person were scheduled for fewer than 20 hours per week of the educational activity (*by regulation*).

(c) Broaden the definition of JOBS participation to include participation in activities, other than the optional and mandatory JOBS services, which are consistent with the individual's employability plan (*again, by regulation*).

(d) The broadened definition of participation would include participation in the Small Business Administration Microloan Demonstration program or another *structured* self-employment program. As above, satisfactory participation in a structured self-employment program would meet the JOBS participation requirement, even if the scheduled hours of the self-employment program were fewer than 20 per week.

(e) Permit States to require a parent of a child under 6 to participate in JOBS for more than 20 hours per week (*prohibited under current law*).

10. ANNUAL ASSESSMENT

(a) States would be required to conduct an assessment of all adult recipients and minor parents, including both those in the JOBS-Prep phase and those in JOBS, on at least an annual basis to evaluate progress toward achieving the goals in the employability plan. This assessment could be integrated with the annual eligibility redetermination (see Reinvent Government Assistance specifications). Persons in JOBS-Prep status found to be ready for participation in employment and training could be assigned to the JOBS program following the assessment. Conversely, persons in the JOBS program discovered to be facing very serious obstacles to participation could be placed in the JOBS-Prep phase.

(b) The assessment would entail an evaluation of the extent to which the State was providing the services called for in the employability plan. In instances in which the State was found not to be delivering the specified education, training and/or supportive services, the agency would be required to document that failure and establish a plan to ensure that the services would be delivered from that point forward.

11. SANCTIONS

Current Law

The sanction for non-compliance under the current JOBS program is the loss of the non-compliant individual's share of the grant, until the failure to comply ceases. In the event of subsequent non-compliance, the sanction is a minimum of 3 months for the second failure to comply, and a minimum of 6 months for all subsequent non-compliance. The State, however, cannot sanction an individual for refusing to accept an offer of employment, if that employment would result in a net loss of income to the family.

For sanctioned two-parent families, both parents' shares of the total benefit are deducted from the family's grant, unless the second parent is participating satisfactorily in the JOBS program.

Vision

Under these provisions, States would gain some flexibility regarding sanction policy but much of the current sanction policy would remain intact. not enough

(a) Program Interactions:

1. Sanctioned families would still have access to other available services, including JOBS activities, child care and Medicaid.

2. Sanctioned months would be counted against the time limit on cash benefits.

(b) Eliminate the requirement that States establish a conciliation process for resolution of disputes involving JOBS participation. States would still be required to provide an opportunity for a fair hearing in such instances. / yes

(c) Lift the prohibition against imposing a sanction on a parent of a child under 6 for failure to accept an offer of a 20-plus hour per week job.

(d) Change the statute such that for sanctioned two-parent families, the second parent's share of the benefit would not also be deducted from the grant, unless the second parent were also required to participate in JOBS and was similarly non-compliant.

12. **TRANSITION TO WORK/WORK**

(a) Persons would be required to engage in job search during a period of not less than 45 days (up to 90 days, at State option) before taking a WORK assignment. In most cases, the job search would be performed during the 45-90 days immediately preceding the end of the time limit. An individual who reached the time limit without having finished the 45-90 days of job search would not be eligible for a WORK assignment until the required period of job search was completed.

(b) Persons who through no fault of their own did not complete the required period of job search before reaching the time limit would continue to be eligible for cash benefits while finishing the 45-90 days. Individuals who had refused to perform this required job search, either before or after reaching the time limit, would not be able to receive cash benefits while completing the job search period.

(c) States would have the option of providing additional months of cash assistance to individuals who found employment just as their eligibility for cash assistance ended, if necessary to tide them over until the first paycheck.

EXAMPLE:
January is the last month in which a recipient is eligible for cash benefits. At the end of January, he finds a job. He will not, however, receive his first paycheck until the end of February. The State would have the option of issuing a benefit check for the month of February, even though he reached the time limit in January.

(d) At State option, persons who had left the JOBS program for work would still be eligible for selected JOBS services, including case management.

(e) States would be required to continue providing transitional Medicaid benefits as under current law; States would be relieved of this requirement only if and when universal health care coverage were guaranteed within the State.

13. **EXTENSIONS**

(a) States would be required to grant extensions to persons who reached the time limit without having had adequate access to the services specified in the employability plan. In instances in

which a State failed to substantially provide the services, including child care, called for in the employability plan, the recipient would be eligible for an extension equal to the number of months needed to complete the activities in the employability plan (up to a limit of 24 months). States would be required to take the results of the annual assessment(s) into account in determining if services were delivered satisfactorily. **[Office of the General Counsel is developing language for this provision]**

(b) Persons enrolled in a structured learning program (including, but not limited to, those created under the School-to-Work Opportunities Act) would be granted an extension up to age 22 for completion of such a program. A structured learning program would be defined as a program that begins at the secondary school level and continues into a post-secondary program and is designed to lead to a degree and/or recognized skills certificate. Such extensions would not count against the cap on extensions (see below).

(c) States would also be permitted, but not required, to grant extensions of the time limit under the circumstances listed below, up to 10% of either all adult recipients and minor parents, or of adults and minor parents required to participate in JOBS. Persons granted extensions due to State failure to deliver services, as discussed above, would be included under the cap.

(1) For completion of a GED program (extension limited to 12 months).

(2) For completion of a certificate-granting training program or educational activity, including post-secondary education or a structured microenterprise program, expected to enhance employability or income. The extension is contingent on the individual's making satisfactory progress toward completing the program (extension limited to 24 months).

(3) For some persons who are learning disabled, illiterate or who face other substantial barriers to employment. This would include a seriously learning disabled person whose employability plan to date has been designed to overcome that obstacle and who consequently has not yet obtained the job skills training needed to secure employment (extension not limited in duration).

(d) States would be required to continue providing supportive services as needed to persons who had received extensions of the time limit.

(e) A State would be permitted, in the event of unusual circumstances, to apply to the Secretary to have its cap on extensions raised.

14. EARNING BACK ELIGIBILITY

(a) Persons who had left the cash assistance program would earn back eligibility for months of cash assistance at a rate of one month of cash assistance eligibility for every four months during which the individual did not receive cash assistance and was not in the WORK program. The total months of assistance for which a person was eligible at any time could never exceed 24.

EXAMPLE:
An individual applies for assistance for the first time in January 1997, is not deferred from the JOBS program and enters a JTPA in-class vocational training program in March 1997. She obtains a private sector position and leaves the JOBS program in December of 1997. At that point, she is eligible for 13 months of cash assistance. Two years later, she is laid off from her job and is unable to find another. She re-applies for assistance in February 2000, 26 months after leaving welfare. At this point, she has earned back 6.5 months of cash assistance (26 total months divided by 4), which, when added to the original 13 months, gives her 19.5 months of eligibility remaining.

(b) Persons who left the WORK program would also be able to earn back months of cash assistance, just as described in (a).

(c) States would have the option of limiting the number of months of cash assistance an individual could earn back to 12.

EXAMPLE:
A person exits welfare with 3 months remaining on his 24-month time clock. Five and a half years later, he reapplies for assistance. At that point, he would have earned back 16.5 months of assistance (66 total months divided by 4), for a total of 19.5 months of eligibility (provided he was not in prison during that period; see below). If the State opted to limit the number of months a person could earn back to 12, however, he would accordingly have earned back only 12 months, for a total of 15.5 months of eligibility.

(d) Persons would not earn back months of assistance for months spent in prison. States would have the option of developing procedures to check the criminal history of re-applicants.

(e) States would, as under current law, be able to assign re-entrants to work activities (e.g., CWEP, Work Supplementation) within the JOBS program, when appropriate.

WR SPECS
Jobs + Time Limits

DRAFT - for discussion only

[DRAFT - January 12, 4:00 pm]

~~CONFIDENTIAL~~ ms

A. ENHANCING THE JOBS PROGRAM

NOTE: The Department of Education proposes a heavy human capital investment model to welfare reform. In the memo of December 29, 1993, Education identifies four areas where they feel a commitment to education is necessary to ensure that welfare recipients receive adequate services. These areas are: (1) various legislative initiatives from DOEd should be referenced and reinforced; (2) education and training must be facilitated during the two-year transitional period and appropriate extensions should be granted for completion of such activities; (3) increased coordination between JOBS and education and training providers should be promoted, including case management services to facilitate such coordination; and (4) provisions that would allow welfare recipients to work part-time and attend school without reduction in benefits should be included in the welfare reform proposal. They have also made some specific recommendations incorporated elsewhere in this section.

NOTE: Both the Department of Labor and the Department of Agriculture have specific proposals which have also been incorporated elsewhere in this section.

1. PROGRAM ENROLLMENT

Current Law

The Family Support Act mandated that upon enrollment into the AFDC program, the State must make an initial assessment of applicants with respect to child care needs, skills of the applicant, prior work experience, and employability of the applicant. On the basis of this assessment, the State must develop an employability plan for the applicant. The State may require applicants to enter into a formal agreement which specifies the participant's obligations under the program and the activities and services provided by the State. The employability plan is not considered a contract. States may require some applicants to undergo job search activities for 8 weeks and an additional 8 weeks for AFDC recipients.

Vision

At the point of the intake process, applicants will learn of their specific responsibilities and expectations regarding the JOBS program and time-limits. All States and applicants will now be required to enter into an agreement specifying the responsibilities of each party. This will be accomplished through a social contract and an employability plan. While the social contract will outline a general agreement, the employability plan will be focussed on the specific employment related needs of the applicant. Although these are not legal contracts, these agreements will serve to refocus the direction of the welfare program...

Rationale

States must change the culture of the welfare system by changing the expectations of both applicants and case workers. This can be done by modifying the mission of the welfare system at the point of the intake process to stress the shift from eligibility and benefit determination to employment and access to education and training. The mutual obligations of the State and the participant must be spelled out and enforced. JOBS programs must continue to be utilized as an entity designed to link clients to services in the community.

Drafting Specs

(a) All applicants, upon enrollment, will be required to sign a Social Contract with the State specifying the responsibilities of both the participant and the State agency under the revised transitional assistance (JOBS) program and under a program of time-limited assistance.

(b) Upon enrollment, all applicants must be provided with information about the revised JOBS program and informed of their status regarding eligibility for transitional assistance, specifically the amount of time of remaining eligibility.

condition of eligibility

(c) The Social Contract shall not be a legal contract.

2. **EMPLOYABILITY PLAN**

Drafting Specs

(a) Change current SSA language that a State "may" require the participant to enter into an agreement with the State agency to follow the employability plan as developed to "must."

(b) Add language requiring States to complete the assessment and employability plan within a time-frame specified by the Secretary of Health and Human Services.

(c) The employability plan shall specify a time-frame for achieving self-sufficiency (pursuant to the sections regarding time-limited transitional benefits) and the prescribed activities shall reflect the needs of the participant to successfully meet this time-frame.

3. **DEFERMENTS UNDER JOBS**

Current Law

States must require non-exempt AFDC recipients to participate in the JOBS program to the extent that resources are available. Exemptions under the current JOBS program are for those applicants and recipients who are ill, incapacitated, or of advanced age; needed in the home because of the illness or incapacity of another family member; the caretaker of a child under age 3;(or, at State option, age 1), employed more than 30 hours per week; a dependant child under age 16 or attending a full time educational program; women in the second and third trimester of pregnancy; and residing in an area where the program is not available. The parent of a child under age 6 (but older than the age for an exemption) who is personally providing care for the child may be required to participate only if participation requirements are limited to 20 hours per week and child care is guaranteed. For AFDC-

UP families, the exemption relating to the age of a child may only apply to only one parent, or to neither parent if child care is guaranteed.

Vision

Under new provisions, a greater number of participants will be JOBS mandatory. Single-parent and two-parent families will be treated similarly under the new JOBS system. The current exemption policy, which is based on an individual's characteristics, will be replaced with a policy which will allow for temporary deferment from participation requirements for good cause as determined by the State.

Rationale

In order to change the culture of welfare, it is necessary to stress the importance of full participation in the JOBS program. It is also important to ensure that all welfare recipients who are able to participate in JOBS have such services made available to them by the States. Elimination of exemptions sends a strong message that full participation in JOBS should be the normal flow of events, and not the exception. A limited deferment policy gives the States the flexibility to temporarily excuse recipients from participation who are unable due to good cause.

ISSUE 1: **If States are given a ceiling, what percent of the caseload should be exempt? (See Option 1)**

ISSUE 2: **Should States have the option to make dependents under 16 be JOBS mandatory for some activities?**

NOTE: **Deferral policy should be coordinated with phase-in strategy. Gradually increasing participation rate percentages (if designated for deferral policy) could be part of a phase-in option (if we use total caseload as the denominator).**

Adult recipients could be deferred from participation in the JOBS program either prior to or after entry into the program. For example, if an individual became seriously ill after entering the JOBS program, he or she could be deferred at that point. Months in which a recipient was deferred from the JOBS program would not count against the time limit.

EXAMPLE: An individual applies for cash assistance in January of 1996. She and her caseworker design an employability plan in March of 1996 and she begins participating in the JOBS program activities in the plan. In September 1996, her father becomes seriously ill and she is needed in the home to care for him. At that point, she is deferred from JOBS participation. Her deferment lasts for eleven months, until August 1997, when her father recovers and no longer requires full-time care. As of August 1997, she is eligible for 16 more months of cash assistance. She re-enters the JOBS program and reaches the 24-month time limit in November 1998. At that point, however, she is only four months from completing her Licensed Practical Nurse (LPN) training. She is then granted a 4-month extension to finish her LPN training (see Extensions in TIME-LIMITING ASSISTANCE specifications).

(Distinction made between child conceived before and after application for assistance, age of child lowered from three to one for children conceived before application, deferral for other births limited to 120 days)

(4) Second or third trimester of pregnancy (*same as current law*); and NO

(5) Living more than two hours round-trip travel time (by public transportation or by car, whichever is applicable) from the nearest JOBS program site or activity. (*same as current law, specifically CFR 250.30.5*)

RATIONALE FOR OPTION TWO (Why 80-90%?):

About 20-25% of adult recipients would be deferred under the criteria listed here. If States were permitted to defer an additional 20% of the remaining recipients, 60-64% of all adult recipients would be required to participate in JOBS, comparable to the 60-70% under Option One.

OPTION ONE VERSUS OPTION TWO:

As discussed above, the percentage of the caseload deferred would be roughly equal under both options, but Option Two might attract wider support, given that it avoids using numbers as high as 30 or 40%. This presumes there is some degree of consensus about the appropriateness of the deferral criteria listed under Option Two.

OPTION 3: Same as either Option One or Two, except that, when appropriate, those deferred from the JOBS program would be required to engage in activities intended to prepare them for the JOBS program. The employability plan for a deferred recipient would detail the steps, such as finding permanent housing or obtaining medical care, needed to enable him or her to enter the JOBS program.

Recipients not likely to ever participate in the JOBS program (e.g., those of advanced age) would not be required to engage in pre-JOBS activities, but would have access to pre-JOBS services. For individuals whose deferral is expected to end shortly in any event (e.g., mothers of young children), pre-JOBS activities would be intended to address barriers, if any, to successful participation in JOBS.

The pre-JOBS phase would not be as service-intensive as the JOBS program. States would not be required to guarantee child care or provide other supportive services for persons in the pre-JOBS phase. Monitoring would be relaxed considerably relative to JOBS. States would, however, have the option to sanction persons in the pre-JOBS phase for not following through with the steps in the employability plan.

States might be required to graduate a relatively modest percentage of persons in the pre-JOBS phase into the JOBS program each year.

RATIONALE FOR OPTION THREE:

Requiring at least some recipients deferred from JOBS to participate in pre-JOBS activities would encourage States to devote some attention to deferred persons. Moreover, a pre-JOBS phase might, to some extent, assuage concerns about the magnitude of the deferral rates.

Drafting specs

(a) States have the option to defer up to a maximum of [some specified percentage] of the caseload from JOBS participation for reasons of good cause as deemed by the States. Such good cause reasons may include:

- age, incapacity, or serious illness of the participant
- if the participant is needed at home to take care of seriously ill or disabled relative
- such other reasons which prevent successful participation in the JOBS program.

NOTE: AFDC recipients who are deferred from the JOBS program will be expected to complete an assessment and case plan specifying appropriate activities.

(b) AFDC recipients who are working at least 20 hours a week will not be required to participate in JOBS program activities.

(c) States will have the ability to apply to the Secretary of HHS to provide deferrals to a larger percentage of the caseload if circumstances specific to the State warrant such need.

(d) States will be required to review all deferments from JOBS as part of the redetermination process for transitional assistance. Deferments only last until the next redetermination.

4. JOBS SERVICES AVAILABLE TO PARTICIPANTS

Current Law

A range of services and activities must be offered by States under the current JOBS program, but States are not required to implement JOBS uniformly in all parts of the State and JOBS programs vary widely among States. The services which must be included are: educational activities, including high school and equivalent education, basic literacy, and English proficiency; jobs skills training; job readiness activities; job development and job placement; and supportive services to the extent that these services are necessary for participation in JOBS. Supportive services include child care under a variety of circumstances, and transportation and work related expenses. States must also offer at least 2 of the following services: group and individual job search; on-the-job training (OJT); work supplementation programs (WSP); and community work experience programs (CWEP). There is a need to expand the definition and range of services available under JOBS. States would maintain the flexibility to determine the mix of JOBS services available and required for participants.

DRAFT - for discussion only

Vision

The definition of satisfactory participation in the JOBS program will be broadened to include activities that are important to helping individuals achieve self-sufficiency. States will have broad latitude in determining which services are provided. Additionally, job search activities will be emphasized to promote work and employment.

ISSUES

ISSUE 1: **Will additional services/programs be reimbursable under JOBS. If so, which ones?**

NOTE: **Through regulation, the Secretary could allow States to offer additional services as appropriate JOBS activities. Such services may include such services which aid participants in attaining goals specified in the employability plan. See JOBS PARTICIPATION, which follows.**

ISSUE 2: **Should CWEP and Alternative Work experience rules be more flexible (For example, to allow State to require recipients to participate in CWEP for a number of hours which results in a benefit/hour ration less than minimum wage)?**

ISSUE 3: **Should States have the option of eliminating the requirement to serve volunteers first?**

ISSUE 4: **Assuming States are not required to offer case managed services, shall the Federal government take steps to promote such services? (See OPTION which follows)**

OPTION: **Enhanced (automated) Case Management**

The Department shall develop (see part 4 below) and the States can implement enhanced automated case-management systems to assist in the administration of the new JOBS program. This enhanced case management system shall have certain capabilities in order to appropriately assist in the administration and monitoring of a *human development* as opposed to an *income support* system. While income support systems are "Point-In-Time" oriented (each monthly accounting period is conceptualized as a discrete event) human development systems are longitudinal in character. A "Point-In-Process" conceptualization is needed where progress through a system can be monitored and individual and family change detected. This requires a longitudinal perspective. Illustrative characteristics are:

(1) to measure (on a micro, or individual, and macro, or aggregate, basis the attributes of new entrants;

(2) to measure the proportion of new entrants who actively participate and the time lapse between initial agency contact and the completion of key gate keeping activities (e.g., assessment, orientation, social contract, initial activity involvement, etc.);

(3) to be able to retrieve, on a real time basis, micro information on case status—what activities has a client completed, the current developmental stage of the client, and in what activities a client is scheduled to participate;

(4) to have some ability to determine whether progress is being made.

Drafting Specs

(a) Amend job search rules to accomplish the following:

(1) mandate that States provide job search as a JOBS service;

(2) extend permissible period of mandated job search for individual applicants to 12 weeks from 8 upon application;

(3) remove the requirement that job search after initial job-search period may only be required in combination with education and training; and

(4) mandatory job-search activities at the end of the time-limit shall not count against the 4-month total job search limit. (Note, see TIME-LIMIT section)

(b) Eliminate the requirement to serve volunteers first.

(c) Eliminate the targeting requirements.

(d) Remove the non-displacement requirement to allow work supplementation placements in private sector vacancies.

5. JOBS PARTICIPATION

Current Law

Under the Family Support Act of 1988 which established the JOBS program, certain minimum participation standards were established for fiscal years 1990-1995 for the AFDC caseload. States face a reduced federal match rate if those standards are not met. In FY 1993 at least 11% of the non-exempt caseload in each State must participate in JOBS. The standards increase to 15% for FY 1994 and 20% for FY 1995. There is a need to increase the minimum participation standards in order to fully implement JOBS and transform the welfare system from an income support system into a work support system. The ACF current budget proposal for phase-in increase in participation standards for JOBS from the current level to 20% of non-exempt caseload in FY 1995, 25% for FY 1996, 30% for FY 1997, 35% for FY 1998, 40% FY 1999, 45% for FY 2000.

Vision

In order for the JOBS program to become the centerpiece of government assistance, the JOBS program must experience a dramatic expansion of both services and participants. Under the

provisions of the new transitional assistance program, JOBS participation will be greatly expanded and increased participation rates will be phased-in until States reach a full-participation model. States will be given flexibility in designing systems to achieve these objectives.

ISSUE

ISSUE 1: **Will the Federal government specify required participation levels? Will this be part of a phase-in strategy?**

ISSUE 2: **If States can expand the definition of which services count towards JOBS participation, how can the Federal government measure the intensity of participation?**

- **For example, modest changes to the participation rate calculation may be made to make the calculation more equitable among States and to accommodate certain types of meaningful participation which are currently excluded.**

ISSUE 3: **What should we do with the 20 hour rule?**

Drafting Specs

(a) Broaden the definition of JOBS participation to include participation in activities (at State option) which promote the goals of a participants case plan and are consistent with the goals of the JOBS program.

(b) Participation in any such State specified activities would count as participation in the JOBS program if such participation is consistent with the goals and needs specified in the case plan.

6. JOBS FOR NON-CUSTODIAL PARENTS

OPTION: States will have the option of using 10% of JOBS monies for services to non-custodial parents. At State option, non-custodial parents may be required to participate in WORK activities for a specified period of time prior to being eligible for JOBS services.

7. TARGETING TEEN PARENTS

Current law

Current law requires that parents under age 20 participate in an educational activity, but only within the context of other JOBS requirements, targeting guidelines and participation standards. Current law, however, also exempts children under 16 who attend school full-time.

Vision

While it is important to recognize the different needs and characteristics of the teen parent population, research and demonstration projects have shown that specialized services designed according to the needs of teen parents can help maximize positive outcomes with respect to educational attainment, personal responsibility, job readiness, child development, life skills, response to incentives, and others. These important lessons must be incorporated into the welfare system in order to benefit from them. To do so, exemptions which in effect deny access of teen parents to needed services must be modified. The welfare reform plan will ensure that every teenager who is on or applies for welfare while pregnant or having had a child enrolls in the JOBS program, finishes their education, and is put on a track to self-sufficiency. Every teenage-parent (male or female, case head or not, any age) will be mandated to participate in JOBS from the moment the pregnancy or paternity is established. There will be no exemptions for teen parents. All JOBS rules pertaining to social contracts, employability plans, and participation will apply to teen parents. The presumption in current law that the plan should call for the completion of high school or a GED, unless it is inappropriate, will be maintained.

Rationale

Finding ways to help teenagers who have children while on welfare or then apply for welfare is one of the top priorities of this welfare reform initiative. Helping children understand the implications and responsibilities associated with having children is one of the critical goals of our prevention strategy. Equally important, however, is assuring that those teenagers who do have children stay in school, get their education, and go on to work and become self-sufficient. Demonstration programs have shown that services targeted to teen parents on welfare can have an effect on their education and employment prospects.

ISSUES

ISSUE 1: **Do we mandate special case management or other services for teen parents?**

ISSUE 2: **Do we have separate participation requirements for teen parents? For example, will States be required to make all teen parents participate in JOBS activities.**

Drafting Specs

OPTION: Require that States develop and include in their State JOBS plans special strategies for service delivery to teens including:

- indicating what other teen parent programs are being provided in the State and how JOBS services will be linked to the teen parent service network.
- describing how family planning, parenting and life skills training will be made available to JOBS teens
- an option to develop LEAP-like incentive/sanction program to encourage staying in school, other behavior

(a) State option of appropriate activity requirements for dependent children who are at-risk of drop-out or teen-pregnancy. (For example, require school attendance, etc.)

(b) At State option, States could test the effectiveness of creating a specialized curriculum of activities via the case plan geared towards the needs of teen parents. (For example, in the case plan, activities involving parenting and life skills, family planning, and secondary education could be required before attending activities oriented towards employment.)

8. SANCTIONS

Current Law

Sanctions for non-participation under the current JOBS program result in a loss in the portion of benefits for the individual not in compliance with required activities until the failure to comply ceases. In the event of subsequent non-compliance, the sanction is a minimum of 3 months for the second failure to comply, and a minimum of 6 months for all subsequent non-compliance. Additionally, the State cannot require a participant to accept employment if the net result to the family is a decrease in cash income.

Vision

Under these provisions, States would gain some flexibility regarding sanction policy but much of the current sanction policy would remain intact.

Drafting Specs

(a) Make elimination of the conciliation requirement a State option.

(b) Program Interactions

1. During sanction periods, assume an unsanctioned AFDC benefit when calculating benefits for other means-tested programs.

2. Sanctioned families will still have complete access to other available services.

3. Sanctioned months would be considered months of receipt for calculating time-limits.

(d) Eliminate separate sanction policies and requirements for parents employed (20+) with a child under 6.

9. PHASE-IN OF NEW REQUIREMENTS

ISSUES

ISSUE 1: Does the federal government wish to promote a "saturation" type full-participation model for JOBS?

DRAFT - for discussion only

ISSUE 2: **If States implement the new provisions on a partial basis, does this present problems for administration and monitoring?**

ISSUE 3: **How can we ensure that resources are expended adequately for implementation of the new JOBS program and also ongoing services for current JOBS participants?**

OPTION 1: Implementation of the JOBS provisions shall be accomplished by expanding the State JOBS participation rate on a gradual basis, whereby an increasing number of applicants/recipients will be served under the new transitional assistance provisions. States would be required to implement full participation requirements for some portions of the populations as opposed to an across-the-State percentage. States would select a sub-portion of the AFDC population and would make JOBS available and mandatory for every nonexempt participant within the sub-population.

The sub-population could be initially selected according to 2 options available to States. The first is geographic considerations (i.e., specified counties of a region within the State). All residents within these areas would be subject to the provisions of the new transitional assistance program. The second option is for States to implement the new provisions for a designated sub-population statewide. This sub-population would be designated according to a selection criteria approved by the Departments, such as all new applicants or teenage recipients, etc. Alternatively, States would have the option to combine these 2 approaches.

If a State chooses to implement the system geographically, States would specify a time-frame for when all counties will have the new JOBS program operational, subject to Federally imposed deadlines. Alternatively, if States targeted new applicants, eventually the old system would also be "grand fathered" out of operation. If teenage recipients are targeted, the State would still be required to present a plan for full phase-in.

EXAMPLE: A State now serves 13% of the JOBS-mandatory population and must serve an additional 2% by next year. Instead of raising the entire the participation level by increasing the number of JOBS participants statewide, the State selects 3 counties where all AFDC (JOBS-mandatory) recipients and applicants will receive JOBS services. The participation in that county will be ~100% (excluding all deferred and sanctioned clients) while the participation level across the State will become 15%, as required. An additional State facing the same circumstances chooses to require all applicants to participate in JOBS. Among new applicants, the participation level approaches 100% (again, excluding deferments and sanctioned clients), while the statewide participation rate (among all JOBS-mandatory individuals) at the required time frame is 15% and growing.

OPTION 2: States would be required, by a specified date, to serve all new applicants and teen parents. States must develop a plan for eventual phase-in of remaining population which is consistent with the provisions of this Act.

DRAFT - for discussion only

Drafting Specs

(a) For the purposes of implementation of the provisions of this Act, States will include an implementation plan as part of the State JOBS plan outlining how the requirements of this Act shall be implemented in the State within the required time-frame.

(b) In the plan, States would have the option to specify an initial sub-population which shall be served under the expanded JOBS program during the implementation phase. This portion of the State plan is to be updated annually (as required) to reflect expansion of the population served under the new JOBS program until full participation is achieved throughout the State.

(c) Among the initial sub-populations to be served as specified by the State plan, 100% of all non-exempt recipients (or alternatively, some percentage of the total sub-population representing the mandatory caseload) shall be required to participate in JOBS activities as proscribed by the State.

- or -

(b) States shall be required to serve all new applicants and teen parents by [some specified date].

DRAFT - for discussion only

B. IMPROVING ACCESS TO MAINSTREAM EDUCATION, TRAINING AND SELF-EMPLOYMENT OPPORTUNITIES

Current law

Under the Family Support Act, the Governor of each State is required to ensure that program activities under JOBS are coordinated with JTPA and other relevant employment, training, and educational programs available in the State. Appropriate components of the State's plan which relate to job training and work preparation must be consistent with the Governor's coordination plan. The State plan must be reviewed by a coordinating council.

Vision

The mission of the JOBS program will not be to create a separate education and training system for welfare recipients, but rather to ensure that they have access to and information about the broad array of existing programs in the mainstream system. The JOBS program needs to be redesigned to permit States to integrate other employment and training programs into the JOBS program, and to implement "one-stop shopping" education and training programs. Under current law, states are required to coordinate their JTPA and JOBS programs. The quality of those linkages varies considerably. Existing barriers are statutory and traditional; others are regulatory and policy. The barriers to better coordination need to be examined and addressed.

ISSUES

ISSUE 1: **Should we consider changes in AFDC policy to better accommodate participation in other training and education programs through such mechanisms as a more generous disregard policy for stipends, training wages, etc.**

ISSUE 2: **What is the authority of the Human Resource Investment Councils (HRICs) and how will these bodies interact with the Department of HHS and other Federal agencies?**

ISSUE 3: **How will such a board be comprised and selected?**

OPTION 1: The Department of Labor has proposed the creation of a Human Resource Investment Council (HRIC) at the Federal level to be a counterpart of the HRICs established at the local/State level. The purpose of this council could be to act as a mechanism to integrate the JOBS and JTPA programs and to increase linkages with other related programs. HRICs could act as an interagency body to consider waiver requests. The Department of Labor proposes that the HRIC would have responsibility for:

(1) developing an overall human investment strategy and plan;
(2) consider and establish criteria upon which to evaluate and approve waivers from States which facilitate integrated service delivery among the principle Federal job training programs;
(3) developing integrated staff training and capacity building;

(4) setting common definitions and administrative requirements among programs;
(5) setting common outcome measures;
(6) developing common reporting systems;
(7) promoting common eligibility determination;
(8) overseeing evaluations;
(9) suggesting regulatory and legislative changes to promote joint program operation and facilitate coordination; and
(10) establish objective criteria to evaluate and measure interagency efforts to improve Federal program linkages and coordination.

NOTE: The Department of Education has responded to this proposal. They view such a council as a positive endeavor, but (1) not as part of welfare reform, and (2) a multi-agency coordinating council should address not only welfare and welfare recipients, but broader national workforce issues. They propose the scope of the council should also include:

(1) articulation of a national workforce preparation and national self-sufficiency agenda that focuses on improving the access to and the quality of teaching and learning in education and training programs;
(2) administrative requirements, performance measures, eligibility requirements, sub-contracting standards and evaluative instruments;
(3) design and implementation of inter-agency trouble shooting teams; and
(4) collaboration with the private sector.
(5) Membership would include Labor, Education, HHS, OMB, and Defense.

ISSUE: DOEd further states that on the State level, the vocational educational community has had concerns regarding the State HRICs.

OPTION 2: Secretaries of HHS, Labor, and Education shall plan and coordinate education and training programs to encourage participation of JOBS participants and simplifies eligibility for such programs. A waiver board shall be assembled to examine eligibility issues and make recommendations to promote expanded participation, coordinated programs, and simplified and standardized eligibility. Included in such programs shall be:
(1) Pell Grant;
(2) JTPA;
(3) apprenticeship programs; and
(4) JOBS programs.

NOTE: **Options 3 and 4 were furnished by DOL and involve full integration of JOBS and JTPA.**

OPTION 3: **Full Integration of JOBS-JTPA:** Run a fully integrated JOBS and JTPA program, co-located at the service delivery area, with one-stop arrangements for JOBS participants and JTPA Title II-A participants. Governors of each State would designate which agencies were responsible for administration. (The IV-A agencies

would not have automatic responsibility.) States would have flexibility to include additional services for target populations in addition to basic services. Basic core services provided would include:

(1) information on career, jobs, education training opportunities, and support services;
(2) eligibility assessment;
(3) testing and assessment;
(4) counseling;
(5) job search assistance (group and individual); and
(6) job placement.

Intensive services either on-site or brokered would include:

(1) drop-in child care;
(2) education;
(3) training;
(4) work experience; and
(5) supportive services.

OPTION 4: **Joint planning and administration between JOBS and JTPA:** Under this option, the Governor of each State could require a joint plan from the two agencies indicating how responsibilities would be sorted out for the 2 year transitional period and the post-transitional period. Current law specifies joint review of plan; joint sign-off would be substituted.

Drafting Specs

1. COORDINATED EFFORTS

(a) Department of Education proposes: Amend the language in SSA section 483(a) which requires that there be coordination between JTPA, JOBS and education programs available in the State to specifically require coordination with the Adult Education Act and Carl D. Perkins Vocational Educational Act.

(b) Department of Education proposes: The State JOBS plan must be consistent basic literacy and job training goals and objectives of the plans required by the Adult Education Act and the Carl D. Perkins Vocational Education Act.

(c) Department of Education proposes: Require employability plan to contain explicit consideration of basic literacy and employment skills.

(d) Department of Education proposes: enhanced case management services be available to participants to maximize coordination of services.

C. CONSOLIDATING THE FNS EMPLOYMENT & TRAINING PROGRAM

FNS staff have provided the following options for our consideration for inclusion as part of the current round of welfare. These options involve the Food Stamp Education and Training (E&T) program.

OPTION 1: Conforming the Food Stamp E&T program with JOBS.

1. CONFORM NON-COMPLIANCE SANCTIONS WITH JOBS NON-COMPLIANCE SANCTIONS

Currently, the sanction for non-compliance with Food Stamp work requirements affects the entire household. Under AFDC-JOBS, the sanction affects only the individual not in compliance. Recommendation: conform to E&T policy with JOBS sanction policy.

(a) Eliminate the distinction between individual and household ineligibility arising from non-compliance with work requirements.

(b) Eliminate the requirements governing the designation of head of household for E&T purposes.

(c) Adopt provision of AFDC-JOBS sanction periods for E&T.

2. E&T EXPENSE REIMBURSEMENT

Currently, the Food Stamp E&T program provides payments or reimbursements to individuals for transportation and other expenses (excluding dependent care) related to participation in the program. Participants receive payments for actual costs up to $25 per month for expenses deemed necessary for participation in the E&T program. The Federal government matches up to half of the amount State agencies spend, up $12.50 of the $25. State may supplement the amount without additional matching funds from the Federal government. The JOBS program provides reimbursement to participants for transportation and other costs necessary to enable individuals to participate in JOBS. The Federal government matches the State agency costs up to 50%. State agencies describe in their State plans the monetary limits to be applied to transportation and other support services. Recommendation: conform E&T reimbursement policy with JOBS policy.

(a) Conform Food Stamp E&T reimbursement policy to JOBS reimbursement policy by eliminating the $25 maximum and allowing State agencies to specify monetary limits to be applied to transportation and related expenses.

3. FOOD STAMP E&T DEPENDENT CARE EXEMPTIONS

The Food Stamp E&T program allows State agencies to exempt certain individuals from participation in program activities. Currently, State agencies may exempt from work registration a parent or other household member who is responsible for the care of a dependent child under age 6 or an incapacitated person. State agency may require the parent or other caretaker relative of a child under age 6 to participate in JOBS. However, mandatory individual must be assured by the State agency that child care will be guaranteed and that s/he will not be required to participate more than 20 hours per week. A parent or relative who is personally providing care for a child under age 3 (or younger at State option) is automatically exempt from JOBS participation. Conforming Food Stamp E&T exemption provisions for dependent caretakers to the JOBS criteria would require a greater percentage of the Food Stamp population to register for work at the time of application for benefits, thereby reaching a greater proportion of the employable Food Stamp population.
Recommendation: conform E&T exemption provisions with JOBS criteria.

4. PERFORMANCE FUNDING FOR FOOD STAMP E&T

Currently, the Food Stamp E&T program distributes $75 million as a Federal grant to State agencies for the administration of their E&T programs. Of this $75 million, $60 million is distributed according to each State's proportion of work registrants (nonperformance funding), while the remaining $15 million is based on State program performance. This option would eliminate the $15 million performance funding category for Food Stamp E&T. The USDA would distribute the entire $75 million based on the nonperformance formula.
Recommendation: eliminate the $15 million performance funding category.

(a) Eliminate the $15 million performance funding category for Food Stamp E&T.

(b) Distribution of Federal funds for E&T will be based according to each State's proportion of work registrants.

DRAFT - for discussion only

OPTION 2: Consolidating E&T with JOBS

State agencies stress that serving similar populations with different program rules and funding structures increases the complexity of the programs and their resulting ability to operate the program effectively. Consolidating the E&T program with JOBS would result in a more effective overall administration of Federal employment and training programs. While the program would continue to serve recipients of public assistance and those not receiving public assistance (NPA), the administrative burden associated with the operation of 2 separate Federal employment and training programs would be eliminated.

NOTE: Is this a potential avenue for incorporating the employment & training needs of non-custodial parents?

1. **FUNDING**

Currently, USDA distributes $75 million in a 100% grant to State agencies to administer their E&T programs. States that choose to spend more than their 100% grant can receive a 50% Federal match for administrative costs. Legislation could conform match rates for E&T services with JOBS match rates. If transferred to HHS, consolidating funding structures and Federal financial requirements for the 2 programs would greatly reduce the administrative burden for State operating agencies.

OPTION: Alternative funding streams for a consolidated model include:

(i) transferring funds from USDA to HHS;

(ii) USDA funding States directly through contracts

(iii) funding appropriated directly to HHS.

2. **MINIMUM PARTICIPATION REQUIREMENTS**

In FY 1990 and FY 1991 States were required to place no fewer than 50% of their E&T mandatory population into E&T activities. This performance standard was lowered to 10% for FY 1992 and beyond.

OPTION: As a way to ensure continued participation in employment and training activities by Food Stamp recipients, HHS would direct State agencies to serve a minimum number of NPAs, possibly based on the current 10% required participation rate. The lowered standard allows for more intensive services. States would specify in their State JOBS plans how this population would be served and how participation requirements would be met.

[D. DEMONSTRATIONS specifications follow here]

OPTION: PART TIME WORK

There has been discussion of finding a way to provide income support to people working part time outside of the AFDC system. Here's an option for discussion purposes of how such a program could work:

Divide AFDC into two programs: Transitional Support and Work Support.

Transitional Support would be the time limited AFDC program. JOBS participation would be mandatory for receipt of TS, although deferrals and extensions would be available as discussed.

Work Support would be a much simpler income supplement program:

- To be eligible, applicant would have to be working 20 hours a week [Less in low benefit states].
- WS rules could be simplified much further than TS -- namely, it might sense to adopt Food Stamp filing unit and rules for WS, and determine WS as a percentage of Food Stamps.
- Asset rules for Work Support would be more liberal, and any asset accumulation demonstrations would only be open to those on Work Support.
- States could have the option of setting up the Work Support program as a state EITC (as more states are doing - Cuomo just proposed one for NY) provided advanced payment was made available regularly and simply.
- Work Support would not be time limited.

This proposal could:

- make life easier for the working poor by simplifying their interaction with assistance programs
- separate two distinct missions -- transitional support for non-workers and income support for poor workers -- currently captured in one program -- into two distinct programs
- permit AFDC workers to be trained to link clients with Child Support, EITC, Child care, etc. -- the role we had once conceptualized for the Work Support Agency

CON: Little more than a cosmetic name change.
PRO: Even a cosmetic distinction may be important -- otherwise AFDC will be moving in two directions: contracting because of time limits while expanding as an income supplement.

CON: Complexity; Counter to reinventing government to create two programs where one exists.
PRO: Clarity; One two year program for those who aren't working but want to; Another simpler, more supportive program for those who work.

TIME-LIMITING ASSISTANCE

Most of the people who enter the welfare system do not stay on AFDC for many years consecutively. It is much more common for recipients to move in and out of the welfare system, staying a relatively brief period each time. Two out of every three persons who enter the welfare system leave within two years and fewer than one in five spends five consecutive years on AFDC. Half of those who leave welfare, however, return within two years, and three of every four return at some point in the future. Most recipients use the AFDC program not as a permanent alternative to work, but as temporary assistance during times of economic difficulty.

While persons who remain on AFDC for long periods at a time represent only a modest percentage of all people who ever enter the system, however, they represent a high proportion of those on welfare at any given time. Although many face very serious barriers to employment, including physical disabilities, others are able to work but are not moving in the direction of self-sufficiency. Most long-term recipients are not on a track toward obtaining employment that will enable them to leave AFDC.

The two-year time limit is part of the overall effort to shift the focus of the welfare system from disbursing funds to promoting self-sufficiency through work. This time limit gives both recipient and the welfare agency a structure that necessitates steady progress in the direction of employment and economic independence. As discussed elsewhere, recipients who reach the two-year time limit without finding a private sector job will be offered publicly subsidized work assignments to enable them to support their families.

Current Law and Direction of Proposal

The AFDC program provides cash assistance to households in which needy children have been deprived of parental support (Section 401, Social Security Act), including two-parent households in which the principal earner is unemployed (AFDC-UP program, Section 407). Operating within broad Federal guidelines, States set standards used to determine need and payment. In order to be eligible for AFDC, the household's gross income cannot exceed 185 percent of the State's need standard (Section 402(a)), its countable income must be less than the need standard, and the total value of its assets must be below the limit set by the State.

The cash assistance is provided to, and accounts for the needs of, the parent(s) or other caretaker relative, as well as the dependent children (Section 402(a) and others, Social Security Act). Some States (those which did not have an AFDC-UP program in place as of September 26, 1988) are permitted to place a type of time limit on participation in the AFDC-UP program, restricting eligibility for AFDC-UP to 6 months in any 12-month period (Section 407(b)). Thirteen states presently impose time limits on AFDC-UP eligibility. Under current law, however, no other type of time limits may be placed on participation in the AFDC program.

The proposal would impose, on adults, a cumulative time limit of two years on the receipt of cash assistance, with deferrals of and extensions to the time limit to be granted under certain circumstances. Months in which a recipient was working part-time would not count against the time limit. The two-year limit would be renewable—once an individual left welfare, he or she would begin to earn

back eligibility for assistance.

1. Definition of Time Limit

(a) The time limit would be a limit of 24 on the cumulative number of months of cash assistance an individual could receive within any 120-month period. Months in which an individual was receiving assistance but was deferred from the JOBS program (not required to participate) would not count against the 24-month time limit.

2. Applicability of Time Limits

(a) The time limit would apply only to parents and needy caretaker relatives (for treatment of teen parents, see Teen Parents below). A record of the number of months of cash assistance received would be kept for each individual subject to the time limit. Non-needy caretaker relatives would not be subject to the time limit.

In a two-parent family, both parents would be subject to the time limit, provided neither parent was deferred from JOBS. The family would continue to be eligible for benefits so long as one of the two parents had not reached the time limit for transitional assistance.

EXAMPLE: A single father with two children who came onto the rolls twelve months ago marries a woman with no children and no prior welfare receipt. Both are required to participate in JOBS. The family at this point is eligible for twenty-four months of benefits. The marriage does not go well and they separate after ten months. The father and his children at this point are eligible for only two more months of cash assistance. If, on the other hand, the two had remained together, the family would have been eligible for fourteen more months of cash benefits.

Under current law, the second parent in a two-parent family is not exempted from participation in JOBS. If, however, a State chose to defer the second parent from JOBS, the second parent would not be subject to the time limit. The second parent would then be treated as any other deferred recipient--counted toward the maximum number of adult recipients a State is permitted to defer (see Deferrals in JOBS specifications). In such an instance, a two-parent family could be eligible for as many as 48 months of cash assistance, as opposed to 24 for a single-parent family. Again, this would only be the case if the second parent were deferred from the JOBS program.

RATIONALE: While the provision described above might be interpreted to favor two-parent families over single-parent households, its intent is actually to equalize treatment of one and two-parent families. Applying the time limit to a parent in a two-parent family who did not have access to JOBS services (due to deferral) but not to a deferred parent in a one-parent family would constitute, to some extent, a bias against two-parent families. NOTE: If a second parent were officially deferred but nonetheless participated in the JOBS program (i.e., as a volunteer) that second parent would be subject to the time limit.

(b) An individual who had reached the time limit for cash assistance would not be permitted to

act as a payee for his or her children. In other words, a parent who had received cash benefits for 24 months would not be able to, rather than enrolling in the WORK program, continue receiving cash benefits on behalf of his or her children (i.e., with the parent's needs no longer taken into account in determining the grant).

(c) Dependent children, other than teen custodial parents, would not be subject to the time limit. States would not be required to keep a record of duration of cash assistance receipt for persons in the household who were not the parent(s) or caretaker relative.

3. Teen Parents

(a) All teen parents would be required to participate in JOBS and would be subject to the 24-month time limit. The clock would begin to run upon receipt of assistance as a custodial parent. Custodial parents under 20 could receive cash benefits, even if they had reached the 24-month time limit, provided they were enrolled in high school or a GED program. After attaining a diploma or turning 20, they would still be eligible for the standard extension as described below (see Extensions below).

(b) Teen parents who reach the time limit and are not in school would be permitted to enroll in job search (and continue receiving cash benefits) for up to 3 months before entering the WORK program.

EXAMPLE: A teen mother begins receiving benefits as a custodial parent at age 15, with high school as her JOBS activity. At age 17, after two years on cash assistance, she leaves school before attaining her diploma. She participates in job search (unsuccessfully) for 3 months, after which she enrolls in the WORK program. At age 19, she decides to re-enter high school. By her 20th birthday, she is still six months from completing high school. She is granted an extension to get her diploma. At that point, if she were not able to find a private sector job, she would have to re-enter the WORK program.

RATIONALE: While a bit involved, the above structure, when distilled down to its essentials, permits any custodial parent under 20 who is in high school or a GED program to receive cash benefits. This would allow teen parents in the WORK program to go back to high school or enter a GED program.

4. Extensions

As noted in the JOBS specifications, extensions would be for individuals who had reached the 24-month time limit for cash benefits, while deferrals would be for persons who had not yet reached the limit (see Deferrals in the JOBS specifications for a further discussion of the difference between deferrals and extensions).

a) Extension policy would take one of two forms, similar to the two options under deferral policy.

OPTION ONE.
As with Option One under Deferrals in the JOBS specifications, the criteria for extensions of the time limit would not be specified in statute, but would be left to the discretion of States. The number of persons with extensions at any given time would be limited to a fixed percentage of adult recipients (4-5%).

OPTION TWO:
States would be permitted to grant extensions of the time limit under the circumstances listed below, up to the same limit (4-5% of adult recipients) as under Option One.

(1) For completion of high school, a GED program or other certificate-granting training program or educational activity expected to enhance employability, provided the individual is making satisfactory progress toward attaining a diploma or completing the program (extension limited to 24 months).

(2) For completion of post-secondary education, provided the individual is enrolled in a work-study program or otherwise employed at least part-time and is making satisfactory progress toward attaining a degree (extension limited to 24 months).

(3) For some persons who are learning disabled, illiterate or who face other substantial barriers to employment. This would include a seriously learning disabled person whose employability plan to date has been designed to overcome that obstacle and who consequently has not yet obtained the job skills training needed to secure employment (extension not limited in duration). These decisions would be made on a case-by-case basis.

(4) For persons who reached the time limit without having adequate access to the services specified in the employability plan. In instances in which a State failed to substantially provide the services, including child care, called for in the employability plan, the recipient would be eligible for an extension equal to the number of months needed to complete the activities in the employability plan (up to a limit of 24 months).

OPTION ONE VERSUS OPTION TWO: State flexibility with respect to extension policy is greater under Option One. Option Two, while permitting considerable State discretion in extension policy (see #3 above), provides some direction, in an attempt to discourage States from, for example, devoting virtually all extensions to JOBS participants who had proven difficult to serve. States could still do this under Option Two, but specifying completion of high school or other education and training programs as a criteria for extension might encourage States to make some extensions available for these purposes.

(b) Under either option, States would be required to continue providing supportive services as needed to persons who had received extensions of the time limit.

5. Part-Time Work

(a) Part-time work (for persons receiving cash assistance) would be treated as distinct from both participation in the JOBS program and deferral from the JOBS program.

(b) An individual working an average of 20 or more hours per week or earning at least $400 during the month would not be required to participate in the JOBS program but would not be considered deferred for purposes of calculating the percentage of adult recipients deferred.

(c) Months in which an individual worked part-time, as defined here, would not be counted against the time limit.

(d) State participation standards would be expressed as the percentage of adult recipients who were either in the JOBS program or working part-time.

6. Earning Back Eligibility

(a) Persons who had left the cash assistance program would earn back eligibility for months of cash assistance at a rate of one month of cash assistance eligibility for every four months during which the individual did not receive cash assistance. Individuals would not begin earning back assistance, however, until they had spent at least twelve consecutive months both not on cash assistance and not in the WORK program. The total months of assistance for which a person was eligible at any time could never exceed 24.

EXAMPLE: An individual applies for assistance for the first time in January 1997, is not deferred from the JOBS program and enters a JTPA in-class vocational training program in March 1997. She obtains a private sector position and leaves the JOBS program in December of 1997. At that point, she is eligible for 13 months of cash assistance. Two years later, she is laid off from her job and is unable to find another. She re-applies for assistance in February 2000, 26 months after leaving welfare. At this point, she has earned back 3.5 months of cash assistance (26 total months minus the first year, for a net of 14 months, divided by 4), which, when added to the original 13 months, gives her 16.5 months of eligibility remaining.

NOTE: A generous earn-back provision could contribute to minimizing the number of people re-entering the WORK program.

(b) Persons who left the WORK program would also be able to earn back months of cash assistance, just as described above. States would have the option of enrolling WORK program re-entrants in job search for up to 3 months before placing them on the waiting list for WORK assignments (WORK program re-entrants would be eligible for cash benefits while participating in job search).

(c) States would be permitted to design alternate methods of allowing persons to earn back months of assistance.

7. Job Search/Transition to Work

(a) Recipients would be required to engage in job search during a period of not less than 45 days (up to 90 days, at State option) immediately preceding the end of the time limit. The job search requirement does not preclude participation in other JOBS activities.

(b) An individual would not be permitted to enter the WORK program until he or she had completed the required 45-90 days of job search. In other words, a person who reached the time limit without having participated in job search for the last 45-90 days would not be permitted to either take a WORK assignment or go on the waiting list. An individual in this category would continue to have access to job search services, even after reaching the time limit, and would have to complete the required period of job search to be able to enter the WORK program. While fulfilling this requirement, a person in this category would not be eligible for cash benefits or for a WORK assignment.

(c) States would have the option of providing additional months of cash assistance to individuals who found employment just as their eligibility for cash assistance ended, if necessary to tide them over until the first paycheck.

EXAMPLE: January is the last month in which a recipient is eligible for cash benefits. At the end of January, he finds a job. He will not, however, receive his first paycheck until the end of February. The State would have the option of issuing a benefit check for the month of February, even though he reached the time limit in January. He could be required to reimburse the IV-A agency for the benefit check, with repayment to be stretched out over time.

(d) At State option, persons who had left the JOBS program for work would still be eligible for selected JOBS services, including case management, for up to 12 months.

(e) States would be required to continue providing transitional Medicaid benefits as under current law; States would be relieved of this requirement only if and when universal health care coverage were guaranteed within the State.

DRAFT - for discussion only

Deferral policy would take one of three forms:

OPTION 1: The criteria for deferral would not be specified in statute. States would have complete discretion as to whom to defer, up to a fixed percentage of the caseload (30-40%). Accordingly, 60-70% of all adult recipients (including teen parents) would be required to participate in the JOBS program or work part-time in order to be eligible for cash benefits.

57%

RATIONALE FOR OPTION ONE (Why 60-70%?):

During FY 1992, 57% of adult recipients were exempted from participation in JOBS. Of the remaining 43% who were required to participate, slightly under one-fifth (16%) were actually participating in JOBS at any given time, meaning that only 7% of all adult recipients were actually participating in JOBS. To serve that 7%, States spent a total of about $1 billion (Federal and State). These figures imply that if 60% of adult recipients were required to participate, and of those 50% were actually participating, the cost would be approximately $4 billion. If 80% were required to participate and 50% were actually participating, the cost would be in the neighborhood of $5.75 billion.

— Different Teen Fam. Deferral — - Suspension? - Extension

Given that more than half (27) of all States now exempt at least 60% of adult recipients, limiting States to deferring 30-40% would represent a serious change from current practice. While the ballpark cost figures in the preceding paragraph do not consider factors such as changes in the caseload or an increase in part-time work, the numbers do suggest that it might be difficult to get the deferral rate below 30-40%, given cost constraints.

Reasons + overall cap for others besides youngest child

OPTION 2: A number of criteria for deferral from the JOBS program would be specified in statute. States would be permitted, in addition, to defer up to a fixed percentage (10-20%) of adult recipients under other criteria. Eighty-ninety percent (80-90%) of adult recipients not deferred under the Federally specified criteria would be required to either participate in the JOBS program or work part-time.

26% in these categories

JOBS exemption criteria would be narrowed to limit specified deferral criteria to the following (*change from current law in parentheses*):

(1) Illness, including mental illness, incapacity or advanced age (Same as current law);

60+ limited disabled child } 15%

(2) Needed in the home to care for another member of the household who is ill or incapacitated (*same as current law*);

6 mos child - 42
12 mos child - 57%

(3) i) Parent or needy caretaker relative of a child under one who was born either before or within 10 months of the family's most recent application for assistance; or

ii) Within a 120-day period following the birth of a child born 10 or more months after the most recent application for assistance;

2nd child?

- Age of child under X, plus cap for others of up to 20% with Secy. waiver
- Children <1, plus 4 mos for 2nd child

WR-SPECS
(JOBS-Time limits)

FACSIMILE TRANSMISSION REQUEST

ADDRESSEE: (Name, Organization, City, State & Phone Number)	FROM: (Name, Organization & Phone #)
Welfare Reform Transitional Assistance Addressees: - Below	John Wolff OS/ASPE/HSP/Human Services Policy Room 404E Humphrey Building 690-7507

TOTAL PAGES	FAX MACHINE PHONE NUMER (IF KNOWN)	DATE	HSP FAX NUMBER
17+cover	Various	1/26/94	202/690-6562

REMARKS

Meeting: Thursday, January 27
7:30 am - 9:30 am
ACF Aerospace Building
6th Floor Auditorium

Addressees

Mary Jo Bane, ACF	401-2337	FAX 401-4678
Bruce Reed	456-6515	FAX 456-7028/7739
Kathi Way	456-7777	FAX 456-7028/7739
Isacc Shapiro, DOL	219-8271	FAX 219-7971
Larry Katz, DOL	219-5108	FAX 219-7659
Doug Ross, DOL	219-6050	FAX 219-6827
Dolores Battle, DOL	219-6236	FAX 219-5183
Roxie Nicholson, DOL	219-7669	FAX 219-219-5455
Bo Cutter, Treasury	622-2010	FAX 622-1294

DRAFT - for discussion only

[DRAFT - January 26, 11:00 am] ~~CONFIDENTIAL~~ 705

A. ENHANCING THE JOBS PROGRAM

NOTE: The Department of Education proposes a heavy human capital investment model to welfare reform. In the memo of December 29, 1993, Education identifies four areas where they feel a commitment to education is necessary to ensure that welfare recipients receive adequate services. These areas are: (1) various legislative initiatives from DOEd should be referenced and reinforced; (2) education and training must be facilitated during the two-year transitional period and appropriate extensions should be granted for completion of such activities; (3) increased coordination between JOBS and education and training providers should be promoted, including case management services to facilitate such coordination; and (4) provisions that would allow welfare recipients to work part-time and attend school without reduction in benefits should be included in the welfare reform proposal. They have also made some specific recommendations incorporated elsewhere in this section.

NOTE: Both the Department of Labor and the Department of Agriculture have specific proposals which have also been incorporated elsewhere in this section.

1. PROGRAM ENROLLMENT

Current Law

The Family Support Act mandated that upon enrollment into the AFDC program, the State must make an initial assessment of applicants with respect to child care needs, skills of the applicant, prior work experience, and employability of the applicant. On the basis of this assessment, the State must develop an employability plan for the applicant. The State may require participants to enter into a formal agreement which specifies the participant's obligations under the program and the activities and services provided by the State. The employability plan is not considered a contract. States may require some applicants to undergo job search activities for 8 weeks and an additional 8 weeks for AFDC recipients.

Vision

At the point of the intake process, applicants will learn of their specific responsibilities and expectations regarding the JOBS program and time-limits. All States and applicants will now be required to enter into an agreement specifying the responsibilities of each party. This will be accomplished through a social contract and an employability plan. While the social contract will outline a general agreement, the employability plan will be focussed on the specific employment related needs of the applicant. Although these are not legal contracts, these agreements will serve to refocus the direction of the welfare program.

Rationale

States must change the culture of the welfare system by changing the expectations of both applicants and case workers. This can be done by modifying the mission of the welfare system at the point of the intake process to stress the shift from eligibility and benefit determination to employment and access to education and training. The mutual obligations of the State and the participant must be spelled out and enforced. JOBS programs must continue to be utilized as an entity designed to link clients to services in the community.

Drafting Specs

(a) All applicants, upon enrollment, will be required to sign a Social Contract with the State specifying the responsibilities of both the participant and the State agency under the revised transitional assistance (JOBS) program and under a program of time-limited assistance.

(b) Upon enrollment, all applicants must be provided with information about the revised JOBS program and informed of their status regarding eligibility for transitional assistance, specifically the amount of time of remaining eligibility.

(c) The Social Contract shall not be a legal contract.

2. **EMPLOYABILITY PLAN**

Drafting Specs

(a) Change current SSA language that a State "may" require the participant to enter into an agreement with the State agency to follow the employability plan as developed to "must."

(b) Add language requiring States to complete the assessment and employability plan within a time-frame specified by the Secretary of Health and Human Services.

(c) The employability plan shall specify a time-frame for achieving self-sufficiency (pursuant to the sections regarding time-limited transitional benefits) and the prescribed activities shall reflect the needs of the participant to successfully meet this time-frame.

3. **DEFERMENTS UNDER JOBS**

Current Law

States must require non-exempt AFDC recipients to participate in the JOBS program to the extent that resources are available. Exemptions under the current JOBS program are for those applicants and recipients who are ill, incapacitated, or of advanced age; needed in the home because of the illness or incapacity of another family member; the caretaker of a child under age 3 (or, at State option, age 1); employed more than 30 hours per week; a dependant child under age 16 or attending a full time educational program; women in the second and third trimester of pregnancy; and residing in an area where the program is not available. The parent of a child under age 6 (but older than the age for an exemption) who is personally providing care for the child may be required to participate only if participation requirements are limited to 20 hours per week and child care is guaranteed. For AFDC-

UP families, the exemption relating to the age of a child may only apply to one parent, or to neither parent if child care is guaranteed.

Vision

Under new provisions, a greater number of participants will be JOBS mandatory. Single-parent and two-parent families will be treated similarly under the new JOBS system. The current exemption policy, which is based on an individual's characteristics, will be replaced with a policy which will allow for temporary deferment from participation requirements for good cause as determined by the State.

Rationale

In order to change the culture of welfare, it is necessary to stress the importance of full participation in the JOBS program. It is also important to ensure that all welfare recipients who are able to participate in JOBS have such services made available to them by the States. Elimination of exemptions sends a strong message that full participation in JOBS should be the normal flow of events, and not the exception. A limited deferment policy gives the States the flexibility to temporarily excuse recipients from participation who are unable due to good cause.

ISSUE 1: **If States are given a percentage of population as a ceiling, what percent of the caseload should be exempt? (See Option 1)**

ISSUE 2: **Should States have the option to make dependents under 16 be JOBS mandatory for some activities?**

NOTE: **Deferral policy should be coordinated with phase-in strategy. Gradually increasing participation rate percentages (if designated for deferral policy) could be part of a phase-in option (if we use total caseload as the denominator).**

Drafting Specs

See TIME-LIMIT sections for legislative specifications

4. JOBS SERVICES AVAILABLE TO PARTICIPANTS

Current Law

A range of services and activities must be offered by States under the current JOBS program, but States are not required to implement JOBS uniformly in all parts of the State and JOBS programs vary widely among States. The services which must be included are: educational activities, including high school and equivalent education, basic literacy, and English proficiency; jobs skills training; job readiness activities; job development and job placement; and supportive services to the extent that these services are necessary for participation in JOBS. Supportive services include child care under a variety of circumstances, and transportation and work related expenses. States must also offer at

least 2 of the following services: group and individual job search; on-the-job training (OJT); work supplementation programs (WSP); and community work experience programs (CWEP). There is a need to expand the definition and range of services available under JOBS. States would maintain the flexibility to determine the mix of JOBS services available and required for participants.

Vision

The definition of satisfactory participation in the JOBS program will be broadened to include activities that are important to helping individuals prepare for work and self-sufficiency. States will have broad latitude in determining which services are provided. Additionally, job search activities will be emphasized to promote work and employment.

ISSUES

ISSUE 1: **Will additional services/programs be reimbursable under JOBS. If so, which ones?**

NOTE: **Through regulation, the Secretary could allow States to offer additional services as appropriate JOBS activities. Such services may include such services which aid participants in attaining goals specified in the employability plan. See JOBS PARTICIPATION, which follows.**

ISSUE 2: **Should CWEP and Alternative Work experience rules be more flexible (For example, to allow State to require recipients to participate in CWEP for a number of hours which results in a benefit/hour ration less than minimum wage)?** No decision

ISSUE 3: **Should States have the option of eliminating the requirement to serve volunteers first? Advocates for persons with disabilities are concerned that eliminating this requirement may result in less services for this population.** Disabled fix

ISSUE 4: **Assuming States are not required to offer case managed services, shall the Federal government take steps to promote such services? (See OPTION which follows)**

OPTION: **Enhanced (automated) Case Management**

The Department shall develop (see part 4 below) and the States can implement enhanced automated case-management systems to assist in the administration of the new JOBS program. This enhanced case management system shall have certain capabilities in order to appropriately assist in the administration and monitoring of a *human development* as opposed to an *income support* system. While income support systems are "Point-In-Time" oriented (each monthly accounting period is conceptualized as a discrete event) human development systems are longitudinal in character. A "Point-In-Process" conceptualization is needed where progress through a system can be monitored and individual and family change detected. This requires a longitudinal perspective. Illustrative characteristics are: garbage

100s of millions

(1) to measure (on a micro, or individual, and macro, or aggregate, basis the attributes of new entrants;

(2) to measure the proportion of new entrants who actively participate and the time lapse between initial agency contact and the completion of key gate keeping activities (e.g., assessment, orientation, social contract, initial activity involvement, etc.);

(3) to be able to retrieve, on a real time basis, micro information on case status--what activities has a client completed, the current developmental stage of the client, and in what activities a client is scheduled to participate;

(4) to have some ability to determine whether progress is being made.

Drafting Specs

(a) Amend job search rules to accomplish the following:

(1) mandate that States provide job search as a JOBS service;

(2) extend permissible period of mandated job search for individual applicants to 12 weeks upon application from 8;

(3) remove the requirement that job search after initial job-search period may only be required in combination with education and training; and

(4) mandatory job-search activities at the end of the time-limit shall not count against the 4-month total job search limit. (Note, see TIME-LIMIT section)

(b) Eliminate the requirement to serve volunteers first.

(c) Eliminate the targeting requirements.

(d) Remove the non-displacement requirement to allow work supplementation placements in private sector vacancies. YES

5. **JOBS PARTICIPATION**

Current Law

Under the Family Support Act of 1988 which established the JOBS program, certain minimum participation standards were established for fiscal years 1990-1995 for the AFDC caseload. States face a reduced federal match rate if those standards are not met. In FY 1993 at least 11% of the non-exempt caseload in each State must participate in JOBS. The standards increase to 15% for FY 1994 and 20% for FY 1995. There are no standards specified after FY 1995. There is a need to extend and increase minimum participation standards beyond 1995 in order to implement JOBS and transform the welfare system from an income support system into a work support system. The ACF

current budget proposal for phase-in increase in participation standards for JOBS from the current level to 20% of non-exempt caseload in FY 1995, 25% for FY 1996, 30% for FY 1997, 35% for FY 1998, 40% FY 1999, 45% for FY 2000.

Vision

In order for the JOBS program to become the centerpiece of government assistance, the JOBS program must experience a dramatic expansion of both services and participants. Under the provisions of the new transitional assistance program, JOBS participation will be greatly expanded and increased participation rates will be phased-in until States reach a full-participation model. States will be given flexibility in designing systems to achieve these objectives.

ISSUE

ISSUE 1: **Will the Federal government specify required participation levels? Will this be part of a phase-in strategy?**

ISSUE 2: **If States can expand the definition of which services count towards JOBS participation, how can the Federal government measure the intensity of participation?**

- **For example, modest changes to the participation rate calculation may be made to make the calculation more equitable among States and to accommodate certain types of meaningful participation which are currently excluded.**

ISSUE 3: **What should we do with the 20 hour rule?**

Drafting Specs

(a) Broaden the definition of JOBS participation to include participation in activities (at State option) which promote the goals of a participants case plan and are consistent with the goals of the JOBS program.

(b) Participation in any such State-specified activities would count as participation in the JOBS program if such participation is consistent with the goals and needs specified in the case plan.

6. JOBS FOR NON-CUSTODIAL PARENTS

Current Law

Section 482 of the Social Security Act (Title IV-F) permits the Secretary to fund demonstrations to provide services to non-custodial parents. The Secretary is limited as to the extent of the program that can be funded under this provision. Evaluations are required. (This, along with section 1115 of the Social Security Act is the authority for the Parents Fair Share Demonstrations currently underway.

DRAFT - for discussion only

Vision

Amends title IV-F of the Social Security Act and PL 99-509 (OBRA '86). States would have considerable flexibility in the design of their non-custodial parents JOBS program. JOBS and WORK funding could be combined or programs could be run separately.

goal = require neps to participate

Drafting Specs

(a) At State option up to 10 percent of JOBS program funding could be used for education and training programs for noncustodial parents. JOBS and WORK programs could be operated as a combined or as separate programs. States would have to agree to evaluation and reporting requirements as determined by the Secretary.

TRAINING, NOT INCOME SUPPORT

(b) Participation by non-custodial parents could be mandatory or voluntary at State option. The non-custodial parents' children would have to be receiving AFDC or WORK services at the time of referral. Non-custodial parents could continue participating in the program even if the their children became ineligible for AFDC. However, if the non-custodial parent voluntarily left the program, was placed in a job, or was terminated from the program, he could not be readmitted unless his child(ren) was once again reliant on AFDC (or similar) benefits.

??

(c) The non-custodial parent's participation would not be linked to self-sufficiency requirements or JOBS/WORK participation by the custodial parent.

child support?

(d) Parenting and peer support would be eligible for FFP.

(e) Payment of training stipends would be allowed and such payments would be eligible for FFP.

(f) State-wideness requirements would not apply. States would not have to provide the same JOBS services to custodial and non-custodial parents.

7. TARGETING TEEN PARENTS

Current law

Current law requires that parents under age 20 participate in an educational activity, but only within the context of other JOBS requirements, targeting guidelines and participation standards. Current law, however, also exempts children under 16 who attend school full-time.

Vision

While it is important to recognize the different needs and characteristics of the teen parent population, research and demonstration projects have shown that specialized services designed according to the needs of teen parents can help maximize positive outcomes with respect to educational attainment, personal responsibility, job readiness, child development, life skills, response to incentives, and others. These important lessons must be incorporated into the welfare system in order to benefit from them. To do so, exemptions which in effect deny access of teen parents to needed services must be

modified. The welfare reform plan will ensure that every teenager who is on or applies for welfare while pregnant or having had a child enrolls in the JOBS program, finishes their education, and is put on a track to self-sufficiency. Every teenage parent (male or female, case head or not, any age) will be mandated to participate in JOBS from the moment the pregnancy or paternity is established. There will be no exemptions for teen parents. All JOBS rules pertaining to social contracts, employability plans, and participation will apply to teen parents. The presumption in current law that the plan should call for the completion of high school or a GED, unless it is inappropriate, will be maintained.

Rationale

Finding ways to help teenagers who have children while on welfare or then apply for welfare is one of the top priorities of this welfare reform initiative. Helping children understand the implications and responsibilities associated with having children is one of the critical goals of our prevention strategy. Equally important, however, is assuring that those teenagers who do have children stay in school, get their education, and go on to work and become self-sufficient. Demonstration programs have shown that services targeted to teen parents on welfare can have an effect on their education and employment prospects.

ISSUES

ISSUE 1: **Do we mandate special case management or other services for teen parents?**

ISSUE 2: **Do we have separate participation requirements for teen parents? For example, will States be required to make all teen parents participate in JOBS activities.**

Drafting Specs

OPTION: Require that States develop and include in their State JOBS plans special strategies for service delivery to teens including:

- indicating what other teen parent programs are being provided in the State and how JOBS services will be linked to the teen parent service network.
- describing how family planning, parenting and life skills training will be made available to JOBS teens
- an option to develop LEAP-like incentive/sanction program to encourage staying in school, other behavior

(a) State option of appropriate activity requirements for dependent children who are at-risk of drop-out or teen-pregnancy. (For example, require school attendance, etc.) good

(b) At State option, States could test the effectiveness of creating a specialized curriculum of activities via the case plan geared towards the needs of teen parents. (For example, in the

case plan, activities involving parenting and life skills, family planning, and secondary education could be required before attending activities oriented towards employment.)

8. **SANCTIONS**

Current Law

Sanctions for non-participation under the current JOBS program result in a loss in the portion of benefits for the individual not in compliance with required activities until the failure to comply ceases. In the event of subsequent non-compliance, the sanction is a minimum of 3 months for the second failure to comply, and a minimum of 6 months for all subsequent non-compliance. Additionally, the State cannot require a participant to accept employment if the net result to the family is a decrease in cash income.

what portion?

Vision

Under these provisions, States would gain some flexibility regarding sanction policy but much of the current sanction policy would remain intact.

Drafting Specs

(a) Make elimination of the conciliation requirement a State option.

AP WA

(b) Program Interactions

1. During sanction periods, assume an unsanctioned AFDC benefit when calculating benefits for other means-tested programs.

2. Sanctioned families will still have complete access to other available services.

3. Sanctioned months would be considered months of receipt for calculating time-limits.

/yes

(d) Eliminate separate sanction policies and requirements for parents employed (20+) with a child under 6.

9. **PHASE-IN OF NEW REQUIREMENTS**

ISSUES

ISSUE 1: **Does the federal government wish to promote a "saturation" type full-participation model for JOBS?**

ISSUE 2: **If States implement the new provisions on a partial basis, does this present problems for administration and monitoring?**

DRAFT - for discussion only

ISSUE 3: **How can we ensure that resources are expended adequately for implementation of the new JOBS program and also ongoing services for current JOBS participants?**

NOTE: **Phase-in requirements should be consistent with deferral policy.**

OPTION 1: Implementation of the JOBS provisions shall be accomplished by expanding the State JOBS participation rate on a gradual basis, whereby an increasing number of applicants/recipients will be served under the new transitional assistance provisions. States would be required to implement full participation requirements for some portions of the populations as opposed to an across-the-State percentage. States would select a sub-portion of the AFDC population and would make JOBS available and mandatory for every nonexempt participant within the sub-population.

The sub-population could be initially selected according to 2 options available to States. The first is geographic considerations (i.e., specified counties or a region within the State). All residents within these areas would be subject to the provisions of the new transitional assistance program. The second option is for States to implement the new provisions for a designated sub-population statewide. This sub-population would be designated according to a selection criteria approved by the Departments, such as all new applicants or teenage recipients, etc. Alternatively, States would have the option to combine these 2 approaches.

If a State chooses to implement the system geographically, States would specify a time-frame for when all counties will have the new JOBS program operational, subject to Federally imposed deadlines. Alternatively, if States targeted new applicants, eventually the old system would also be "grand fathered" out of operation. If teenage recipients are targeted, the State would still be required to present a plan for full phase-in.

EXAMPLE: A State now serves 13% of the JOBS-mandatory population and must serve an additional 2% by next year. Instead of raising the entire the participation level by increasing the number of JOBS participants statewide, the State selects 3 counties where all AFDC (JOBS-mandatory) recipients and applicants will receive JOBS services. The participation in that county will be ~100% (excluding all deferred and sanctioned clients) while the participation level across the State will become 15%, as required. An additional State facing the same circumstances chooses to require all applicants to participate in JOBS. Among new applicants, the participation level approaches 100% (again, excluding deferments and sanctioned recipients), while the statewide participation rate (among all JOBS-mandatory individuals) at the required time frame is 15% and growing.

OPTION 2: States would be required, by a specified date, to serve all new applicants and teen parents. States must develop a plan for eventual phase-in of remaining population which is consistent with the provisions of this Act.

Drafting Specs

(a) For the purposes of implementation of the provisions of this Act, States will include an implementation plan as part of the State JOBS plan outlining how the requirements of this Act shall be implemented in the State within the required time-frame.

(b) In the plan, States would have the option to specify an initial sub-population which shall be served under the expanded JOBS program during the implementation phase. This portion of the State plan is to be updated annually (as required) to reflect expansion of the population served under the new JOBS program until full participation is achieved throughout the State.

(c) Among the initial sub-populations to be served as specified by the State plan, 100% of all non-exempt recipients (or alternatively, some percentage of the total sub-population representing the mandatory caseload) shall be required to participate in JOBS activities as proscribed by the State.

- or -

(b) States shall be required to serve all new applicants and teen parents by [some specified date].

DRAFT - for discussion only

B. IMPROVING ACCESS TO MAINSTREAM EDUCATION, TRAINING AND SELF-EMPLOYMENT OPPORTUNITIES

Current law

Under the Family Support Act, the Governor of each State is required to ensure that program activities under JOBS are coordinated with JTPA and other relevant employment, training, and educational programs available in the State. Appropriate components of the State's plan which relate to job training and work preparation must be consistent with the Governor's coordination plan. The State plan must be reviewed by a coordinating council.

Vision

The mission of the JOBS program will not be to create a separate education and training system for welfare recipients, but rather to ensure that they have access to and information about the broad array of existing programs in the mainstream system. The JOBS program needs to be redesigned to permit States to integrate other employment and training programs into the JOBS program, and to implement "one-stop shopping" education and training programs. Under current law, states are required to coordinate their JTPA and JOBS programs. The quality of those linkages varies considerably. Existing barriers are statutory and traditional; others are regulatory and policy. The barriers to better coordination need to be examined and addressed.

ISSUES

ISSUE 1: **Should we consider changes in AFDC policy to better accommodate participation in other training and education programs through such mechanisms as a more generous disregard policy for stipends, training wages, etc.**

ISSUE 2: **What is the authority of the Human Resource Investment Councils (HRICs) and how will these bodies interact with the Department of HHS and other Federal agencies?**

ISSUE 3: **How will such a board be comprised and selected?**

OPTION 1: The Department of Labor has proposed the creation of a Human Resource Investment Council (HRIC) at the Federal level to be a counterpart of the HRICs established at the local/State level. The purpose of this council could be to act as a mechanism to integrate the JOBS and JTPA programs and to increase linkages with other related programs. HRICs could act as an interagency body to consider waiver requests. The Department of Labor proposes that the HRIC would have responsibility for:

(1) developing an overall human investment strategy and plan;
(2) consider and establish criteria upon which to evaluate and approve waivers from States which facilitate integrated service delivery among the principle Federal job training programs;
(3) developing integrated staff training and capacity building;

(4) setting common definitions and administrative requirements among programs;
(5) setting common outcome measures;
(6) developing common reporting systems;
(7) promoting common eligibility determination;
(8) overseeing evaluations;
(9) suggesting regulatory and legislative changes to promote joint program operation and facilitate coordination; and
(10) establish objective criteria to evaluate and measure interagency efforts to improve Federal program linkages and coordination.

NOTE: The Department of Education has responded to this proposal. They view such a council as a positive endeavor, but (1) not as part of welfare reform, and (2) a multi-agency coordinating council should address not only welfare and welfare recipients, but broader national workforce issues. They propose the scope of the council should also include:

(1) articulation of a national workforce preparation and national self-sufficiency agenda that focuses on improving the access to and the quality of teaching and learning in education and training programs;
(2) administrative requirements, performance measures, eligibility requirements, sub-contracting standards and evaluative instruments;
(3) design and implementation of inter-agency trouble shooting teams; and
(4) collaboration with the private sector.
(5) Membership would include Labor, Education, HHS, OMB, and Defense.

ISSUE: DOEd further states that on the State level, the vocational educational community has had concerns regarding the State HRICs.

OPTION 2: Secretaries of HHS, Labor, and Education shall plan and coordinate education and training programs to encourage participation of JOBS participants and simplifies eligibility for such programs. A waiver board shall be assembled to examine eligibility issues and make recommendations to promote expanded participation, coordinated programs, and simplified and standardized eligibility. Included in such programs shall be:
(1) Pell Grant;
(2) JTPA;
(3) apprenticeship programs; and
(4) JOBS programs.

NOTE: **Options 3 and 4 were furnished by DOL and involve full integration of JOBS and JTPA.**

OPTION 3: **Full Integration of JOBS-JTPA:** Run a fully integrated JOBS and JTPA program, co-located at the service delivery area, with one-stop arrangements for JOBS participants and JTPA Title II-A participants. Governors of each State would designate which agencies were responsible for administration. (The IV-A agencies

would not have automatic responsibility.) States would have flexibility to include additional services for target populations in addition to basic services. Basic core services provided would include:

(1) information on career, jobs, education training opportunities, and support services;
(2) eligibility assessment;
(3) testing and assessment;
(4) counseling;
(5) job search assistance (group and individual); and
(6) job placement.

Intensive services either on-site or brokered would include:

(1) drop-in child care;
(2) education;
(3) training;
(4) work experience; and
(5) supportive services.

OPTION 4: **Joint planning and administration between JOBS and JTPA:** Under this option, the Governor of each State could require a joint plan from the two agencies indicating how responsibilities would be sorted out for the 2 year transitional period and the post-transitional period. Current law specifies joint review of plan; joint sign-off would be substituted.

Drafting Specs

1. COORDINATED EFFORTS

(a) Department of Education proposes: Amend the language in SSA section 483(a) which requires that there be coordination between JTPA, JOBS and education programs available in the State to specifically require coordination with the Adult Education Act and Carl D. Perkins Vocational Educational Act.

(b) Department of Education proposes: The State JOBS plan must be consistent basic literacy and job training goals and objectives of the plans required by the Adult Education Act and the Carl D. Perkins Vocational Education Act.

(c) Department of Education proposes: Require employability plan to contain explicit consideration of basic literacy and employment skills.

(d) Department of Education proposes: enhanced case management services be available to participants to maximize coordination of services.

C. CONSOLIDATING THE FNS EMPLOYMENT & TRAINING PROGRAM

FNS staff have provided the following options for our consideration for inclusion as part of the current round of welfare. These options involve the Food Stamp Education and Training (E&T) program.

OPTION 1: Conforming the Food Stamp E&T program with JOBS.

1. CONFORM NON-COMPLIANCE SANCTIONS WITH JOBS NON-COMPLIANCE SANCTIONS

Currently, the sanction for non-compliance with Food Stamp work requirements affects the entire household. Under AFDC-JOBS, the sanction affects only the individual not in compliance. Recommendation: conform to E&T policy with JOBS sanction policy.

(a) Eliminate the distinction between individual and household ineligibility arising from non-compliance with work requirements.

NO

(b) Eliminate the requirements governing the designation of head of household for E&T purposes.

(c) Adopt provision of AFDC-JOBS sanction periods for E&T.

2. E&T EXPENSE REIMBURSEMENT

Currently, the Food Stamp E&T program provides payments or reimbursements to individuals for transportation and other expenses (excluding dependent care) related to participation in the program. Participants receive payments for actual costs up to $25 per month for expenses deemed necessary for participation in the E&T program. The Federal government matches up to half of the amount State agencies spend, up $12.50 of the $25. State may supplement the amount without additional matching funds from the Federal government. The JOBS program provides reimbursement to participants for transportation and other costs necessary to enable individuals to participate in JOBS. The Federal government matches the State agency costs up to 50%. State agencies describe in their State plans the monetary limits to be applied to transportation and other support services. Recommendation: conform E&T reimbursement policy with JOBS policy.

(a) Conform Food Stamp E&T reimbursement policy to JOBS reimbursement policy by eliminating the $25 maximum and allowing State agencies to specify monetary limits to be applied to transportation and related expenses.

3. FOOD STAMP E&T DEPENDENT CARE EXEMPTIONS

The Food Stamp E&T program allows State agencies to exempt certain individuals from participation in program activities. Currently, State agencies may exempt from work registration a parent or other household member who is responsible for the care of a dependent child under age 6 or an incapacitated person. State agency may require the parent or other caretaker relative of a child under age 6 to participate in JOBS. However, mandatory individual must be assured by the State

agency that child care will be guaranteed and that s/he will not be required to participate more than 20 hours per week. A parent or relative who is personally providing care for a child under age 3 (or younger at State option) is automatically exempt from JOBS participation. Conforming Food Stamp E&T exemption provisions for dependent caretakers to the JOBS criteria would require a greater percentage of the Food Stamp population to register for work at the time of application for benefits, thereby reaching a greater proportion of the employable Food Stamp population.
Recommendation: conform E&T exemption provisions with JOBS criteria.

4. PERFORMANCE FUNDING FOR FOOD STAMP E&T

Currently, the Food Stamp E&T program distributes $75 million as a Federal grant to State agencies for the administration of their E&T programs. Of this $75 million, $60 million is distributed according to each State's proportion of work registrants (nonperformance funding), while the remaining $15 million is based on State program performance. This option would eliminate the $15 million performance funding category for Food Stamp E&T. The USDA would distribute the entire $75 million based on the nonperformance formula.
Recommendation: eliminate the $15 million performance funding category.

Why?

(a) Eliminate the $15 million performance funding category for Food Stamp E&T.

(b) Distribution of Federal funds for E&T will be based according to each State's proportion of work registrants.

OPTION 2: Consolidating E&T with JOBS

State agencies stress that serving similar populations with different program rules and funding structures increases the complexity of the programs and their resulting ability to operate the program effectively. Consolidating the E&T program with JOBS would result in a more effective overall administration of Federal employment and training programs. While the program would continue to serve recipients of public assistance and those not receiving public assistance (NPA), the administrative burden associated with the operation of 2 separate Federal employment and training programs would be eliminated.

NOTE: Is this a potential avenue for incorporating the employment & training needs of non-custodial parents?

1. FUNDING

Currently, USDA distributes $75 million in a 100% grant to State agencies to administer their E&T programs. States that choose to spend more than their 100% grant can receive a 50% Federal match for administrative costs. Legislation could conform match rates for E&T services with JOBS match rates. If transferred to HHS, consolidating funding structures and Federal financial requirements for the 2 programs would greatly reduce the administrative burden for State operating agencies.

OPTION: Alternative funding streams for a consolidated model include:

(i) transferring funds from USDA to HHS;

(ii) USDA funding States directly through contracts

(iii) funding appropriated directly to HHS.

2. MINIMUM PARTICIPATION REQUIREMENTS

In FY 1990 and FY 1991 States were required to place no fewer than 50% of their E&T mandatory population into E&T activities. This performance standard was lowered to 10% for FY 1992 and beyond.

OPTION: As a way to ensure continued participation in employment and training activities by Food Stamp recipients, HHS would direct State agencies to serve a minimum number of NPAs, possibly based on the current 10% required participation rate. The lowered standard allows for more intensive services. States would specify in their State JOBS plans how this population would be served and how participation requirements would be met.