



State of New Jersey

OFFICE OF THE GOVERNOR
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CR/ALK

CHRISTINE TODD WHITMAN
Governor

February 3, 1999

President William J. Clinton
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President:

I am very concerned about the proposed regulations for the Temporary Assistance to Needy Families (TANF) block grant, which were recently submitted to the White House and the Office of Management and Budget for approval. New Jersey submitted detailed comments on the proposed regulations shortly after they were announced on November 20, 1997. Since then, we have had considerable experience with the activities that would be directly effected by the proposed regulations. We now feel even more strongly that the regulations must be changed to allow states the flexibility they need to make the TANF program work successfully. The states must have the flexibility to provide the vital transitional services needed to meet our mutual goal: to help families moving off of welfare achieve and maintain self-sufficiency.

States should be allowed to provide certain vital services to families that have left the welfare rolls without those services counting toward the 60-month time limit. For example, New Jersey provides two years of childcare for a family that finds employment and leaves the welfare rolls. In order for the state to use federal TANF funds or Maintenance of Effort (MOE) funds to cover the cost of the childcare, the state would have to define it as "assistance," which would subject the family to the 60-month time limit. This problem would also apply to families who have left the welfare rolls but are receiving transportation assistance, even though the assistance may be modest.

The reporting requirements are too strict and must be loosened in their application to transitional services for TANF and also for state-only funds to be counted toward MOE. The excessive reporting requirements in the regulations make it extremely difficult to claim TANF funds for essential transitional services. The regulations require types of data that are not mandated in the law, creating an undue administrative burden and excessive administrative costs. It would be especially difficult to collect data on families receiving transitional services, because these families have left the rolls and are not monitored with the same frequency as families on the rolls.

Finally, the regulations place limits on the administration of TANF funds that go beyond the law. Those limits discourage the development of innovative programs, including transitional services. For example, the 15 percent cap on administration is appropriate, but it is not fair to reduce the base to which that cap is applied every time the state transfers funds to another block grant. I am also concerned that administrative costs would be counted for third-party contracts, which will make it difficult to recruit non-profit agencies. Without their help, we cannot successfully involve the community in welfare reform.

I hope that the White House will take these suggestions into consideration as the proposed regulations are being reviewed. Instead of administering TANF as a narrow, isolated grant that only assists welfare recipients, I urge you to approach it as a dynamic program that provides for a continuum of services leading to permanent independence for low-income families.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Christine T. Whitman". The signature is fluid and cursive, with a large initial "C" and "T".

Christine Todd Whitman
Governor

c: Donna Shalala, Secretary, U.S. Department of Health and Human Services
Bruce Reed, Assistant to the President for Domestic Policy



STATE OF NEW JERSEY
WASHINGTON OFFICE

CHRISTINE TODD WHITMAN
GOVERNOR

*To: Congressional Committee
D. Bradley*

444 NORTH CAPITOL STREET, N.W.
SUITE 201
WASHINGTON, D.C. 20001
202-638-0631

C. Rice, E. KAVAN -
Repubs are going
to hate our PLSA policy.
Have we looked at
our '94, '96 bills
on this question?
BR

J.E.

TELECOPIER COVER SHEET

Please deliver the following to:

Name President Clinton

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Date 3/3/97

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OFFICE OF THE GOVERNOR

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CHRISTINE TODD WHITMAN
Governor

March 3, 1997

The Honorable William J. Clinton
The President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Clinton:

Last Thursday, the New Jersey Assembly passed and sent on to the Senate the final bills needed to implement this State's response to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which you signed last August. This legislation was very carefully crafted to protect existing workers from displacement resulting from the assignment of welfare recipients to workfare positions, and to provide a wide range of legal protections to welfare clients who are assigned to community work experience or similar jobs in the public or private, non-profit sectors.

This legislation also includes an innovative, cost-effective approach to providing workers compensation insurance coverage to welfare recipients participating in workfare assignments, building on the existing self-insured program for state employees. New Jersey is proud of the worker/client protections which are an integral part of our WorkFirst legislation, which is expected to receive final approval in the Legislature within the next two weeks. New Jersey's welfare reform legislation has received overwhelming bipartisan support as it has proceeded through the legislative process, including the worker protection provisions.

President Clinton

March 3, 1997

Page 2

I am therefore very concerned about reports that the White House is considering changes in federal welfare reform that may undermine the important progress we have made in New Jersey. Specifically I understand that the White House may soon approve the US Department of Labor's determination that Community Work Experience Placements (CWEP), more commonly referred to as "workfare," must be covered by the Federal Labor Standards Act. Although no information has been shared with the states, it would appear that these unpaid positions would be covered by the minimum wage provisions of this legislation.

This interpretation would greatly undermine the work requirements in Work First and the federal welfare reform legislation. Virtually every state will need to create many short-term, flexible positions that provide some very basic work experience for recipients who are not yet ready for employment in order to meet the very high work participation rates that are required. It is also very important that welfare recipients work in these positions as close as possible to the average work week of 35 hours so that they can be prepared for real employment.

New Jersey could not afford to fund these positions and meet the minimum hours of work requirements in the federal welfare reform legislation, much less at a full-time level, if the federal minimum wage is required and only the cash grant can be applied towards meeting that requirement. We estimate that it would cost about \$24.8 million by 2000 when 30 hours of work activities are required for single parents and 35 hours are required for two-parent families. If this proposed policy applies to General Assistance and single able-bodied childless adults receiving Food Stamps, it would cost an additional \$50.8 million. Allowing states to count the value of Food Stamps, Medicaid, and child care towards the cost of meeting any minimum wage requirement would greatly reduce the negative impact of this proposed policy.

If the other labor statutes also apply and we must treat welfare recipients as employees and provide a pay check rather than a welfare grant and include wage withholding, the costs would be much greater. Such a policy would end welfare reform as we know it.

President Clinton

March 3, 1997

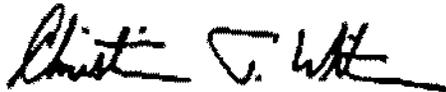
Page 3

The proposed policy would discriminate against states where there may be insufficient low-skilled jobs due to high unemployment or for other reasons. These states could have created CWEP positions until times were better, but under the proposed policy such an option would be limited. Also, most states obviously would not have the resources to fund such positions at the minimum wage during an economic downturn. It also discriminates against states that have invested resources in services to promote self-sufficiency rather than increasing the cash grant.

The purpose of converting the old broken system of welfare into a block grant was to allow the flexibility states need to implement tough work requirements within capped funding. Placing states now in a bureaucratic straight jacket of federal labor rules even before states have a chance to reform welfare sends the wrong message to the nation and the families we are trying to serve.

I urge you to continue to support work and not approve this misguided policy.

Sincerely,



Christine Todd Whitman
Governor

Enclosure

c: Congressional Delegation
Secretary Donna Shalala
Acting Secretary Cynthia Metzler

DEPARTMENT OF HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT

ESTIMATED COST OF PROVIDING WORK ACTIVITIES AND
CHILD CARE SERVICES TO CWEP PARTICIPANTS
STATE FISCAL YEAR 2000

| | <u>TANF FAMILIES</u> | <u>GA/NON-TANF FOOD STAMP</u> | <u>TOTAL</u> |
|---|----------------------|-----------------------------------|----------------------|
| AVERAGE MONTHLY NUMBER OF CWEP PARTICIPANTS | 6,222 | 8,000 | 14,222 |
| AVERAGE MONTHLY ASSISTANCE PAYMENT (a) | \$ 336 | \$ 140 | |
| TOTAL ANNUAL AMOUNT OF CASH ASSISTANCE TO CWEP PARTICIPANTS | \$ 25,087,104 | \$ 13,440,000 | \$ 38,527,104 |
| NUMBER OF HOURS OF WORK PER MONTH (b) | 130 | 130 | |
| REQUIRED MONTHLY CASH COMPENSATION PER PARTICIPANT (c) | \$ 669 | \$ 669 | |
| TOTAL REQUIRED ANNUAL CASH COMPENSATION FOR CWEP PARTICIPANTS | \$ 49,949,096 | \$ 50,782,560 | \$ 114,171,656 |
| ADDITIONAL ASSISTANCE COSTS | \$ 24,861,992 | \$ 50,782,560 | \$ 75,644,552 |

(a) Excludes Food Stamps, Emergency Assistance and Medical Assistance

(b) 30 hours per week times 4.33 weeks in a month. (Additional requirement of five more hours for two parent families has not been considered.)

(c) Based on payment of minimum wage of \$5.15 and excluding employer's contribution to Social Security, Unemployment and Disability Insurance, etc.

TRENTON APPROVES BILL OVERHAULING WELFARE SYSTEM

5-YEAR LIMIT ON BENEFITS

Measure Offered by Whitman Softens the Harshest Parts of the New Federal Law

A1
By JENNIFER PRESTON

TRENTON, Feb. 20 — The New Jersey General Assembly approved legislation today to overhaul the state's welfare program, imposing time limits and work requirements on welfare recipients, but also offering incentives to help ease their transition into the workplace.

The legislation, proposed by Gov. Christine Todd Whitman, closely resembles the new Federal welfare law, but it softens some of the strictest provisions. The plan would impose a five-year lifetime limit on cash benefits; however, it would extend the time limit by one year in some cases. For example, individuals who lose their job through no fault of their own could receive an extension.

The plan would continue cash benefits and Medicaid coverage to legal immigrants, even though the Federal Government no longer requires such benefits to be provided. New Jersey expects to have its program up and running next month.

With little debate, the Assembly voted overwhelmingly in support of two welfare measures today. The State Senate has already approved the broad outlines of both bills, but must approve minor revisions next month before they head to Governor Whitman for her signature.

Once the legislation approved today is signed by Mrs. Whitman, the state will put the program into effect, including starting the five-year lifetime limit on cash benefits.

Welfare recipients would be required to find jobs within two years or risk losing benefits. Teen-age mothers receiving cash benefits would have to finish high school and live with a parent or a guardian. Those who violate their parole would lose benefits. Anyone applying for welfare benefits would have to provide information to assist the state in collecting child support payments.

The legislation outlines plans to provide subsidized child care for at least two years after a welfare recipient has found a job, and calls for other support services, like vouchers for transportation, and job training and job placement programs.

New Jersey would allow recipients to keep more of their benefits once they began working, and to continue to be eligible for Medicaid coverage for two years after the recipients have moved into the workplace, un-

Continued From Page A1

less an employer offers health benefits.

The amendment added to the Assembly bill, which is expected to win approval in the Senate next month, would also entitle welfare recipients working in community or alternative work programs to the same workers' compensation coverage as the rest of the work force.

"Work First New Jersey places a strong emphasis on work and personal responsibility, yet provides support for those who truly need it, particularly in the area of child care," said Assemblywoman Charlotte Vandervalk, a Republican from Bergen County, one of the bill's prime sponsors. "We have recognized the strong need for child care in welfare reform, and we have made a real commitment by doubling the amount of expenditures going into day care services."

State officials said 107,000 families and 33,000 single adults are receiving welfare cash benefits in New Jersey. While everyone faces the prospect of a five-year time limit on cash benefits, the state will make hardship exceptions for up to 20 percent of the welfare caseload, as allowed under Federal law. In addition, two six-month extensions could be granted on an individual basis.

New Jersey avoided many of the strict provisions of other states, like the 21-month time limit for welfare recipients that was put into effect last year in Connecticut. Unlike legislation proposed late last year by Gov. George E. Pataki of New York, New Jersey's bill will not reduce benefits for families or eliminate cash benefits for childless couples or single adults.

In his plan, Governor Pataki has proposed scaling back benefits for families on welfare by 10 percent after 18 months. Benefits would continue to decrease until they are 45 percent lower than current levels, when the families reach the five-year time limit. His plan would also end cash benefits for all able-bodied people who are not eligible for the family program. Instead, he would create a \$1.2 billion block grant to local governments to set up a voucher system to help with food, clothing and shelter.

Mr. Pataki, like Mrs. Whitman, has proposed continuing welfare

WR-N.J.

A state chooses to soften some of the strictest provisions of the new Federal law.

cash benefits and Medicaid coverage to legal immigrants, even though the new Federal welfare law said that states were no longer required to continue such benefits. Governor Pataki urged Congress last month to reconsider the new Federal welfare law's provisions limiting benefits on legal immigrants, but it does not appear that Congress will reconsider the issue soon.

In New Jersey, state officials said it would cost \$59 million a year to continue cash benefits to 15,000 families who are legal immigrants, and \$100 million in state money to continue Medicaid coverage for 50,000 legal immigrants, including many elderly people in nursing homes.

New Jersey, however, will not step in to pick up the cost of other Federal benefits that have been eliminated

for legal immigrants, like food stamps and Supplemental Security Income. Officials said the cost of the programs would be prohibitive.

In a statement, Governor Whitman said that her program would impose realistic time limits on those receiving welfare benefits. "It will require both parents to take financial responsibility for their children, and will provide adequate incentives to enable welfare recipients to meet our expectation that they will get and keep a job," she said.

Ciro A. Scalera, executive director of the Association for Children of New Jersey, a child advocacy organization, said he thought that the Whitman administration and the Legislature did the best possible job they could within the constraints of the new Federal welfare law.

"I am pleased with where New Jersey has ended up on welfare reform," Mr. Scalera said. "I think that the Whitman administration took a fairly rigid Federal law and produced a set of policies that are designed to provide as smooth a transition as could be reasonably expected."

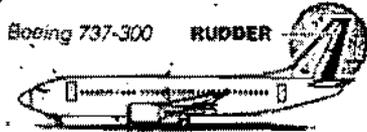
The New York Times

FRIDAY, FEBRUARY 21, 1997

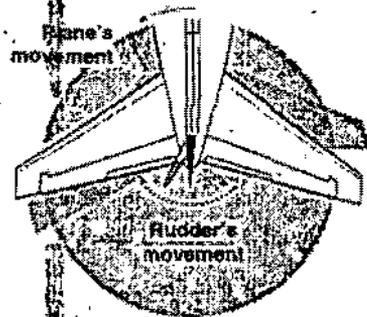
Continued on Page A33, Column 1

Federal Board Sees Valve Flaw In Boeing 737's

Rudders That Jam



THE PROBLEM The rudder, used to control the plane's lateral movement, may jam to one side, which can lead to a loss of control at low speeds and low altitude.



CORRECTIVE ACTION Installation of an improved rudder power control unit, including a revised control valve.

Source: Boeing, *Jane's All the World's Aircraft*

The New York Times

Terms Popular Airliner Less Safe Than Some

By MATTHEW L. WALD

WASHINGTON, Feb. 20 — The Boeing 737, the most popular airliner in history, is less safe than other airliners because the failure of a single valve, the one that controls the rudder, can cause it to crash, the National Transportation Safety Board said today.

But the board stopped short of grounding the planes, or even declaring them unsafe. Investigators have noted that failure of the valve is rare, and have suggested that recent changes in operating procedures by the airlines could compensate for the problem.

Boeing and the Federal Aviation Administration promptly disagreed that the plane was less airworthy than any others. A spokeswoman for the Boeing Company, Susan Bradley, called the 737 "absolutely" safe, and the F.A.A. has called the 737's safety record "very good" compared with other airliners.

Only last month, in a decision announced by Vice President Al Gore, the F.A.A. said it planned to propose replacing the valves. That proposal has not officially been made, however, because Boeing is still designing the replacement valves.

Boeing has estimated the cost of the hardware alone at \$50,000 per plane but said the installation cost would be borne by the airlines.

In the meantime, the airlines, under orders from the aviation agency, have been making changes in their emergency manuals and instructing their pilots about how to react to the valve problem should it occur.

Although the safety board did not say so explicitly, its conclusions about the rudder valve, contained in a letter to the F.A.A., made it clear that it believed it had solved the mystery of two 737 crashes: one in Pittsburgh in 1994 and one in Colora-

Continued on Page A30, Column 1

Continued From Page A1

do Springs in 1991; 157 people died in the two crashes. Safety investigators have long suspected that unusual rudder malfunctions were responsible for the crashes.

The board's letter also said that if Boeing were applying today for permission to sell the plane, the request would not be approved because the 737 violates a fundamental design criterion: that no single failure be capable of causing a crash unless the failure is "extremely improbable."

The safety board said the valve could jam and then reverse, causing the rudder to move in the opposite direction commanded by the pilot. As a result, pilots react in a way that actually exacerbates the problem, rather than corrects it.

These failures "can no longer be considered an extremely improbable or an extremely remote event, and thus raise serious questions about the validity of the certification of the existing B-737," the board said.

Asked whether 737's were safe and whether he would fly on one, Ted Lopatkiewicz, a spokesman for the board, said its statement would have to speak for itself. He also said all five members of the board had approved the report and decided not to issue further statements.

The safety board does not regulate, only recommend, but it is extremely influential.

The F.A.A., which is in charge of aviation safety but is also supposed to balance new rules against additional costs, said it believed that the chance of a jam and reversal was, in fact, extremely remote; and that the steps it was taking would compensate for the mechanical problem presented by the rudder valves.

The stubby twin-engine jets, first flown 30 years ago, are almost impossible for air travelers to avoid. There are 1,100 in use in the United States and another 1,600 abroad.

Thomas E. McSweeney, the F.A.A.'s director of aircraft certification, said this afternoon: "We believe the rudder system is commensurate with that level of safety on every other airplane out there. We believe the actions we have taken at this point are sufficient to insure compliance of that airplane with the safety requirements, until final replacement of the power control unit can be made."

Mr. McSweeney added, "We're looking at an event that we believe is extremely improbable."

A study of the 737 by the F.A.A. in May 1995 counted 55 accidents in which 737's were destroyed since the plane first began flying in 1967. Given its popularity, the report said, the rate of crashes was "one of the best safety records in the fleet of transport category airplanes."

The safety board's letter was unusually sharp in its wording, however, asserting that the 737's rudder system "does not provide the same level of safety as on similar transport-category airplanes."

The valve in question controls the flow of hydraulic fluid that moves the rudder, a large vertical panel in the tail. The valve has two slides, one inside the other, that move back and forth to allow the fluid into different

A Federal panel calls the popular Boeing 737 less safe than other airliners.

ports, to move the rudder one way or the other.

The two slides are intended to be redundant, so that even if one jams, the valve will still work. But recent tests by the safety board have shown that in some circumstances, jamming one slide will move the fluid to the wrong port and make the system work backwards.

Jams can occur because of contaminants in the hydraulic fluid. In a laboratory test, the board was also able to produce a jam and a reversal by chilling a valve and pumping hot hydraulic fluid into it, although some aviation experts said the temperature difference was larger than what would occur in flight.

There is no proof that a reversal has happened in flight. But investigators think reversals occur when a pilot calls for a rudder movement that is large or sudden. That sort of scenario fits with the two crashes.

In the case of USAir's Flight 427, from Chicago to Pittsburgh on Sept. 8, 1994, the plane had just bumped over the wake of a Boeing 727 in front of it, which might have led the pilots to use the rudder. Its movement through the air after the encounter with the wake can only be explained by the rudder swinging hard to one side and staying there, according to investigators. All 132 people on board died when the plane crashed.

The other crash, of a United Airlines flight to Colorado Springs on March 3, 1991, was through a mountainous area prone to circular winds, which also probably required use of the rudder, investigators say. The crash killed all 25 on board.

When the rudder swings, it pushes the plane's nose sideways, relative to the direction of travel. On a swept-wing jet like the 737, if the nose swings to the right, the left wing is no longer diagonal to the direction of flight, but perpendicular to it, increasing lift. Then the right wing loses lift because it is shielded by the fuselage and is almost parallel to the direction of travel. So the plane rolls right.

Pilots can counter that roll with the ailerons, movable surfaces on the wings. But if the plane is flying slowly, as these two were, the rudder is more powerful than the ailerons, and the roll continues until control is lost.

The problem is serious on 737's because the plane is built with an unusually large rudder, which it would need to maintain stability if one of its two engines quit.

Boeing 727's and 747's do not have the same problem because their rudders are split into two panels. The 757's, 767's and 777's have three separate hydraulic systems for the rudders, making failure less likely.

Boeing and the F.A.A. have agreed that the long-term solution is to replace the valve with a model adapted from the newest 737's, just now coming on the market. The aviation agency says it is waiting for Boeing to design the valve before it formally proposes installing it, and that it wants all 737's fitted with new valves within two years of that time.

OFFICE OF INTERGOVERNMENTAL AFFAIRS
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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F A X C O V E R S H E E T

WR - New Jersey

DATE:

TO: *Bruce Reed 454-7431*
Mary Jo Bane 401-4678

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FAX:

FROM: John Monahan
Director

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RE:
CC:

Number of pages including cover sheet: 8

Message:

MERCER STREET



FRIENDS

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May 29, 1996

The Honorable Wayne R. Bryant
State House
Trenton, N.J. 08625

Dear Senator Bryant:

In response to a request by the legislative staff of the Senate Minority office, I have prepared a briefing paper which summarizes national research on the labor force attachment approach to welfare reform, on which Work First NJ is modeled. It is hoped that this document will inform the policy process concerning some of the positive outcomes and limitations of the approach.

Mercer Street Friends strives to provide valid social science research to policy makers and the general community to improve the quality of the dialogue by clarifying policy options and demonstrating policy impacts at the local level. I understand this briefing paper is to be shared with all members of the Legislative Working Group on Welfare Reform. Please feel free to distribute copies as you see fit.

I welcome any questions or clarifications concerning this document and look forward to helping the Working Group in any way.

Sincerely,

Kimberly B. Schevtchuk

Kimberly B. Schevtchuk
Policy Analyst and Advocate

Judith Trachtenberg
Chair

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Vice Chair

Odie LeFevre
Vice Chair

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- Bruce Reed
- MJ Bone
- Wendell Primmer
- Peter E.

F Y I



WORK FIRST APPROACHES TO WELFARE REFORM- DO THEY WORK?

A Summation of National Research

by Kimberly B. Schevtchuk, Mercer Street Friends, Trenton

A Welfare Reform Briefing Paper

The Labor Force Attachment Approach (LFA)

Work First NJ exemplifies a labor force attachment approach to welfare reform. This approach which has its beginnings in the late 60's has increasingly surfaced in recent reform proposals nationwide. The central elements to the labor force attachment model include an emphasis on placing individuals immediately into the labor market place, targeting educational and training opportunities primarily to those who fail to find a job, and limiting education and training to shorter term, more vocationally specific programs. Two central principles are embodied in this approach: the market-place is the best determiner of employability and the best preparation for a job is a job.

Work First NJ exemplifies the labor force attachment model in a number of ways. LFA elements in the proposal include: the expectation that all participants will be involved in a work activity (with limited exceptions); an emphasis on job placement; and a shift away from general education and training. Early Department of Human Services documents reveal the proposal's intent and direction. [In the absence of a detailed definitive document, analysis of Work First NJ is based on analysis of available documents.] In a draft document, the Department proposes for State Fiscal Year 1997 to place 48% of the AFDC families into Job Search (a four fold increase from FY 1996) and almost 13% of the program participants into government subsidized part time jobs in the non-profit community. A shift away from education and training is revealed in the document's proposal to reduce vocational training slots from over 14,000 in 1996 to less than 4,000 in 1997 and to reduce general education slots from over 28,000 to zero for the same time period.

A general education option is continued for teen parents and for approximately 1% of the AFDC population who are placed into the Alternative Work Experience Program (AWEP), a program which combines community service with English as a Second Language or Adult Basic Education. Administration officials note that Work First NJ does not preclude education. Program participants like the rest of the working population may continue general education on their own time: while supporting their families and using education resources available generally to all adults.

Does the Labor Force Attachment Approach Work?

The answer depends on how you define success.

Welfare reform both at the national and state levels usually encompasses a number of goals, which sometimes conflict. It is important that goals be prioritized and generally agreed for rational program design, implementation, and evaluation. The goals include:

personal responsibility, reduced government costs, less poverty, and the protection of children. National research on the labor force attachment model reveals that this approach succeeds at some goals, but not at others.

Comparative research on state welfare reform programs using the labor force attachment approach demonstrate that the approach is effective at increasing the numbers of recipients employed, increasing the number of recipients in full time positions, increasing private market earnings, and reducing program costs associated with cash grants and food stamp benefits.

The labor force attachment approach has not proven effective at moving families out of poverty. Additionally, the approach leads to a reduction in the number of families covered by Medicaid and private health insurance. The effect of the labor force attachment approach moves families from government subsidy to the low end of the labor market with no improvement in economic livelihood.

The Traditional Approach to Welfare Reform -The Human Capital Development Approach (HCD)

Why has the labor force attachment approach caught on? One contributing factor is general dissatisfaction with the outcomes of the existing approach to welfare which emphasizes human capital development.

The Human Capital Development (HCD) approach emphasizes investment in program participants. A central tenant to HCD is that initial investments in education and training will result in longer term program savings because participants will be more marketable for higher paying jobs and will have greater employment skill flexibility. The resultant savings are expected from increased self-sufficiency, increased job retention, and reduced return to welfare. In the HCD approach, longer term training and education programs are emphasized initially. Case managers assess employability and direct participants either into the job market or into different education and training programs depending on their interests and skills. After completion of the education and training programs, participants are expected to get a job.

Does the Human Capital Development Approach Work?

The results of short term impact studies of programs in different states using the human capital development approach have been disappointing. Participants are not any more likely to get a job or place in full time positions than control groups, who have not received HCD services. The approach does not significantly increase their private market earnings. The approach does lead to a reduction in AFDC benefits, but food stamp benefits do not change. Nor has the human capital development model been found effective at moving participants out of poverty. Net family income decreases by \$44 dollars a month.

The results seem counter-intuitive, but differential impact on sub-populations may help explain the findings. Sub-population analysis reveals that the HCD model appears to be more effective with participants with more education. Formal analysis of why the approach is less effective with less educated participants is limited. But anecdotal information from welfare administrators reveals that many participants with less education drop out because they fail to become engaged in the general education classes and see the economic payoff, i.e. a job at a living wage, as too far off. (Approximately 48% of New Jersey's adult AFDC recipients do not have a high school degree or the equivalency.)

Limits of the National Research

The lessons we can learn from the national research is limited in two ways. First, the research has only studied short term impacts. Second, no comparative study of the labor force attachment approach and human capital development approach has been conducted in New Jersey.

Initial unpublished longer term research, e.g. five year follow-up, reveals that participants on labor force attachment models continue to fare better than participants human capital development model when measured by number of people employed, increase in private sector income, and reduced welfare and food stamp grants. However, both approaches continue to have no significant effect on moving families out of poverty.

Additional research on the long term impact of each approach is currently underway, but not complete. Long term impact questions include: whether any of the approaches are effective at helping individuals retain their jobs; move to higher paying jobs; or reduce the likelihood of returning to welfare. Cost savings from any long term gains are also unknown.

We do know, however, that the market place is changing and becoming more difficult. Recent longitudinal research reveals that the ability to work one's way up the economic ladder is diminishing. The 1980's revealed a significant decline in upward job mobility except for "some higher-end professionals and college-educated workers whose skills remain in high demand." In the 1980's, only 20% of those with high school diplomas improved their earnings over ten years compared to 42% in the 1970's. "Overall, more than 56% of the bottom fifth American families remained there for at least five years." (Business Week, 2-26-96, p. 90.)

There has been no formal study comparing the labor force attachment and human capital development models in New Jersey. Findings from the nationwide research reflect influences of a number of factors, e.g. variations in unemployment rates and benefit packages. Most of the research studied programs of a limited geographical area and focused on a sub-population of AFDC, e.g. to mothers of school age children. The Work First NJ proposal recommends statewide implementation and applies to all welfare recipients, including those with infants and pre-school children.

It is important to note that no overall program evaluation has been published which reveals the outcome of New Jersey's most recent welfare reform program, the Family Development Program (FDP) which began implementation in October 1992. The Family Development program reflects a mix of approaches, including elements from the labor force attachment model, but emphasizing the human capital development approach. The Family Development Program has been implemented in every county, but not all AFDC recipients participate.

Does Anything Work? Mixed Approaches

National comparative research is beginning to reveal a few mixed approaches (combinations of the LFA and HCD models) which simultaneously improve employment, increase private market earnings, and reduce poverty. The most notable example is the Center for Employment and Training (CET) program in San Jose California.

CET program participants immediately enter into 4 to 6 month occupational skill training programs without having to demonstrate mastery of basic education skills. Job related basic skills education in reading and mathematics are integrated into the hands on job training curriculum. If deficiencies are observed, participants are additionally enrolled in supplemental courses for General Education Development (GED) certification or English as a Second Language (ESL). CET's self paced competency based course structure, allows for individuals to enter and exit training classes at any time.

The CET program is also notable for its strong business relationships. The CET program regularly adjusts its training options to meet occupational demands. The training classes are taught by instructors from industry. Program staff devote significant time to finding jobs in the community and working with employers to develop confidence in CET as a source of reliable, well-trained employees.

"In addition, the CET program very strongly reflects the philosophy that trainees require both support services and a supportive environment as assistance in overcoming logistical, emotional, and motivational problems that work against success in training and in finding and retaining employment." [Amy Zambrowski and Anne Gordon, Evaluation of the Minority Female Single Parent Demonstration: Fifth Year Impacts at CET, p. 3] For instance, CET offers child care services at its main training location.

CET's program results are encouraging. Participant earnings increased by 33% over four years, with improved earnings of up to 53% in the third and fourth years. When contrasted to the control group, participants demonstrated higher salaries, increased job retention, and a larger number with incomes above 175% of the poverty line. Enough interest exists in the success of the CET program in San Jose that the US Department of Labor has ordered a second study of the program to ensure that its positive outcomes are replicable.

Time Limits and the Labor Force Attachment Approach: Two Separate Elements
The Labor Force Attachment approach does not necessitate a time limit policy. States with and without cash assistance time limits have implemented the LFA approach.

Work First NJ's proposed life time limit on cash assistance adds to the labor force attachment approach the expectation and requirement that welfare recipients become economically self-sufficient, i.e. receiving no government cash assistance. Under the Administration's proposal, after 60 months of benefit (either continuous or intermittent time on welfare), the entire economic unit, e.g. adults and children, are ineligible for government cash benefits for the rest of their lives.

Some states apply the LFA approach to promote personal responsibility but without the expectation of complete self-sufficiency. Vermont uses a labor force attachment approach but allows working families to continue receiving government assistance if their income is insufficient to maintain a minimum standard of living.

Utah, Minnesota and Iowa are three states which have applied the labor force attachment model but without lifetime time-limits. The results in Utah and Iowa have demonstrated increases in market income, declining case loads and declining welfare grant costs. A preliminary analysis of the Minnesota program, six months after initiation, has had mixed results. When the program began, it led to greater employment and case reduction for current AFDC recipients, but was less effective with applicants. Overall, however, Minnesota's program did demonstrate for both groups the outcome of more families working and earning private sector income.

Conclusion

Central to any discussion of welfare reform is clarification of the purpose of the reform and the goal priority. National research reveals that program implementation frequently results in a tradeoff in goals, e.g. between program savings and reduction in poverty. Despite the labor force attachment approach's positive employment and earning findings, caution is cited. The proposed approach has not proven to be successful at improving program participant net income levels. Program participants remain at the same level of poverty and at constant risk of re-entering welfare. The challenge of effectively moving participants to economic self-sufficiency remains.

The ineffectiveness of the labor force attachment approach's ability to improve family net income suggests added caution in implementing a time limit on cash assistance. The combination of a labor force attachment approach, a five year cash assistance limit for life, and decreasing upward mobility in the economy, may leave families with insufficient income at the low end of the market with little options.

Welfare reform represents a challenge for this and future generations. The proposed program, which combines the AFDC, GA, and EA programs, will serve the most vulnerable, 60% of whom are children. It is important that we understand and face the

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challenge and continue to redesign our welfare system with the knowledge learned from state and national experience.

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UNDER CONSTRUCTION

STATE OF NEW JERSEY

DEPARTMENT OF HUMAN SERVICES

APPLICATION FOR A SECTION 1115 WAIVER

TO THE

US DEPARTMENT OF HEALTH AND HUMAN SERVICES

DATE: June 26, 1996 (Draft Date)

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I. PROJECT TITLE AND OBJECTIVES

Title

Work First New Jersey (WFNJ)

Objectives

- To change welfare from a system that is not time limited to a state program that stresses temporary aid, personal responsibility and the dignity of work.
- To reduce the welfare caseload and welfare expenditures through the reduction of spells on welfare and the reduction of long term welfare dependency by helping recipients develop an attachment to the labor market, by developing participants' work skills, by providing comprehensive support services and by imposing a limit on the length of time persons may receive cash benefits.
- To increase the number of recipients who are gainfully employed in full time unsubsidized jobs through the provision of transitional support services such as child care and health care coverage and a stronger earned income disregard policy to ensure that work pays better than public assistance.
- To increase the number of parents paying child support by requiring all recipients to establish paternity and child support orders and by strengthening the child support enforcement system.
- To transform the bureaucracy from a system that generates checks to one that gets people ready to work and into jobs.
- To develop a community-wide approach to solving the problems of the current welfare system by increasing community involvement and participation through use of a broad partnership with every state agency, other levels of government and the private sector.

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II. BACKGROUND & PROJECT IMPORTANCE

Aid to Families with Dependent Children (AFDC) began officially with the New Deal, when federally supported public assistance became law in the Social Security Act of 1935. Originating from state-run mother's pensions programs first set up in 1911, the new federal program provided cash assistance to widowed mothers and wives of disabled workers to care for their children in their own home. AFDC was created as a federal individual entitlement under which funds flowed to all eligible adults with children on the basis of need. In New Jersey, AFDC has been state-supervised and administered by the twenty-one (21) county welfare agencies (CWAs).

General Assistance (GA) originated from locally-run public 'relief' efforts which date back to the 17th century. Relief policy - emanating from the English Poor Laws - was quickly applied within the growing communities across the thirteen colonies. In most instances, administration of poor relief was left to the smallest unit of government, whether it be the town or the parish, under the management of an officially appointed overseer of the poor. GA was officially created in the 1920s as a program designed to provide cash assistance to needy single adults without dependents. In New Jersey, GA is state-supervised and locally-administered, with program delivery operating out of municipal welfare departments (MWDs).

Because GA and AFDC originally evolved out of either state or locally-operated programs, it has always been jointly financed by a myriad of government agencies. The Social Security Act of 1935 traditionally authorized annual appropriations for the federal share of the AFDC program costs. In New Jersey, the matching formula for assistance payments has been 50% federal-45% state-5% county (C/F-Segment¹) and 95% state-5% County (N-Segment²), and for administrative costs 50% federal-50% county. With the initiation of the New Jersey REACH program in 1987 and the Family Development Program in 1992, and their federal counterpart the Family Support Act in 1988, administrative and activity costs for employment, education and training activities specifically under Title IV-F (the Job Opportunity and Basic Skills Training program) has been 60% federal-40% state (contingent upon the state meeting its federally-set participation rate).

¹ AFDC C-Segment provides assistance when only one parent is in the home due to death or absence, or both parents are in the home but at least one is incapacitated. AFDC F-Segment provides assistance when both parents are in the home, neither is incapacitated and the primary wage earner meets the federal criteria for unemployment.

² AFDC N-Segment provides assistance when both parents are in the home but one primary wage earner does not meet the federal definition of unemployment.

DRAFT**AFDC Program Profile - New Jersey**

| | 1994 | 1995 |
|---|---|---|
| Caseload | | |
| -C segment | 121,623 | 119,730 |
| -F segment | 4,305 | 3,905 |
| -N segment | 2,957 | 3,163 |
| Average Household Size (C-segment) | 2.7 | 2.6 |
| Average Length of Stay | 24 months | 26 months |
| Total Administrative Costs | \$76.8 million - federal \$7.7 million - state \$66.4 million - county | \$76.9 million - federal \$7.8 million - state \$66.4 million - county |
| Total Assistance Payments (Including EA) | \$257.1 million - federal \$242.8 million - state \$23.6 million - county | \$248.4 million - federal \$235.5 million - state \$23.5 million - county |

New Jersey state statute authorizes annual appropriations for the state share of the General Assistance program costs. Currently, the matching formula for assistance payments has been 100% state, and for administrative costs 100% municipal.

General Assistance Program Profile - New Jersey

| | 1994 | 1995 |
|---|------------------------------|---|
| Caseload | | |
| -Employable Segment | 24,534 | 22,951 |
| -Unemployable Segment | 11,565 | 11,767 |
| Total Administrative Costs (estimated) | \$22.4 million | \$25.0 million |
| Total Assistance Payments | \$182.5 million - state only | \$180.1 million - state only (estimated) |

At present, in both AFDC and GA, New Jersey has the full authority to set benefit levels as well as determine many eligibility requirements.

THE CURRENT WELFARE SYSTEM IN NEW JERSEY

The Aid to Families with Dependent Children (AFDC) and the General Assistance (GA) programs are the major source of income support for poor single adults and families in New Jersey. To be eligible for AFDC, families must have dependent children under

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age eighteen, meet income and asset requirements, and be without the support of a parent.

The following illustration demonstrates the calculation of benefits under AFDC. A family of three with no income is presently eligible to receive a maximum cash benefit of \$424 per month under the AFDC program. The amount of AFDC cash benefits paid to a family is the maximum benefit minus the amount of countable income. If a parent on AFDC earns income, her family is considered 'less needy' and the welfare benefit is reduced (to offset the increase in income). In the early 1970's and 80's, federal policies were instituted that allowed some earnings that went to pay work expenses to not count against benefits (known as a 'disregard'), this provision required states to disregard \$90 for work expenses, then the first \$30 and one-third of the remainder of the total of monthly income earned for the first four months after a parent begins work. Families receiving cash assistance may also be eligible for other public benefits such as health care under Medicaid, emergency assistance (EA), food stamps and home energy assistance. Similarly, other benefits (notably food stamps and home energy assistance) reduce as earnings increase.

The current General Assistance program has two standard levels of cash assistance. A single adult with no income, deemed 'unemployable' under the GA program, is presently eligible to receive a maximum cash benefit of \$210 per month. A single adult considered 'employable' is eligible to receive a maximum benefit of \$140 per month. Recipients may also be eligible for other public benefits such as outpatient medical assistance, emergency assistance, food stamps, and home energy assistance.

For single adults, 'employable' recipients have been required to participate in the General Assistance Employment Program (GAEP). The program provides job training as well as develops public and non-profit agency worksites and assigns recipients to jobs at these sites. As many as 800 worksites have been developed in the state's cities and towns.

A. MAJOR AREAS THE PROJECT WILL ADDRESS

Pursuant to Section 1115 of the Social Security Act, as amended, and Section 17 (b) of the Food Stamp Act of 1977, as amended, the State of New Jersey is requesting waivers of certain federal regulations for the Aid to Families with Dependent Children, Medicaid and Food Stamp programs to initiate a comprehensive statewide demonstration project entitled Work First NJ. The proposed program emphasizes and requires work, stresses personal responsibility and provides the necessary supports to move participants toward attaining unsubsidized employment.

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New Jersey's move toward a new comprehensive statewide approach to assistance for needy adults and families and work occurs within the context of a national debate over the objectives and values of welfare and work. The Work First NJ proposal to reform the state's welfare system was developed during the Fall of 1995 and announced by Governor Whitman on January 29, 1996. At that time the Governor announced that New Jersey would, after a thorough public input and comment process, implement the Work First NJ proposal -- either through the authority of a block grant to the State or if block grants were not enacted or through a waiver request to the federal government. Since federal block grant legislation has not been enacted to date, New Jersey is pursuing a waiver demonstration project to implement its Work First NJ proposal.

During 1995, New Jersey along with many other states had begun to position itself for the coming federal block grant changes both in the areas of welfare and Medicaid. The Work First NJ proposal was designed to take maximum advantage of the flexibility inherent in proposed block grants while preparing the state to implement the anticipated Federal legislation. It also involved the incorporation of many innovative proposals which support able-bodied adults in getting and keeping jobs while providing them with necessary child care and health care services.

New Jersey shares the belief of many the states that we are currently in a pre-block grant environment and that there will be federal welfare changes in the foreseeable future. There is general public support for making welfare a temporary cash assistance program with a major focus on work. Though debate continues on various details, New Jersey feels that it is prudent to establish a system now which shifts the emphasis from cash assistance to work, combines and simplifies programs, and maximizes the state's ability to move resources to work activities and child care. As a result, the Work First NJ waiver proposal reflects:

- efforts to undertake serious economies and efficiencies that would be consistent with a future block grant environment;
- the type of social and economic supports important to New Jersey citizens; and
- a design that responds successfully to public calls for smarter government, better service for the tax dollar spent, and improved social outcomes.

B. SCOPE OF THE PROBLEM AND APPROACHES TO RESOLUTION

The task of reforming New Jersey's public assistance system to meet the goal of economic self-sufficiency for needy adults and families involves serious

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transformations in the way we do business. Changes of individual behavior toward work and personal responsibility will be required. Additionally, institutional missions, policies, financing, and organization must be revolutionized at every level of government.

The philosophy behind the Work First NJ waiver project includes some different thinking about financial assistance. Fundamentally, New Jersey believes that it is necessary to embrace several important principals in its effort address the major problem of welfare dependency:

..... Replace Welfare with Work

Critics of the current welfare system believe that it is a system which discourages rather than encourages work. In the program's most dramatic change, the entire approach to welfare will be altered -- to make work the channel by which cash assistance and other services will be made available.

All able-bodied Work First NJ recipients would be required, from the time of application, to actively participate in job search, or if unable to find immediate employment, community-based work experience or other work activities. At a minimum, applicants seeking aid would be informed that assistance is temporary - being limited to a lifetime maximum of five years - and that seeking and accepting employment would be a continuing criteria for receipt of cash assistance.

.... Make Work Pay

It is clear that if single parents and needy adults are to move from the dependence of welfare to work, then Work First NJ must help them transition themselves and their families into the economic mainstream. Unless work pays better than welfare, New Jersey cannot expect to improve the independence and security of needy individuals and families.

Through an investment in transitional support services such as child care and health care coverage, and with the provision of greater financial incentives such as stronger earned income disregards, Work First NJ proposes to better assist families in their transition from the welfare system into employment.

..... Foster Personal Responsibility

Many conclude that the current welfare system has done little to encourage individuals to take responsibility for their lives. That is, they feel it is a system which fosters dependence rather than independence. This emphasis will be reversed so that the

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responsibility of individuals will be to support themselves and their families through wages and child support.

In effect, all recipients of cash benefits would be required to not only take steps to become employed, but would have to cooperate in establishing paternity and child support orders in order to be eligible for assistance. Emphasis and responsibility would not only be placed on custodial parents (primarily mothers), but would seek to promote the responsibility of non-custodial parents (usually fathers) as well.

..... Focus on Breaking the Cycle of Dependency

Perhaps the most challenging aspect of welfare reform is the initiation of efforts to create systemic change that reverses inter-generational dependency on public assistance and a life in poverty. As such, leadership from all service delivery systems in every state, county and local agency will be called upon to make a commitment toward breaking the cycle.

Furthermore, with programmatic emphasis moving toward entry into the labor market, efforts must be made to ensure that working parents have the supports necessary to help them access and maintain employment and not cycle back onto public assistance. The New Jersey waiver project will make a strong commitment toward ending dependency and creating a new corps of working parents by placing greater investment in prevention and early intervention strategies, as well as job access and retention activities.

..... Support Smarter and More Efficient Administration

Unlike other past reform efforts, the Work First NJ waiver demonstration proposes to pay close attention to its administration and management. Best endeavors are doomed to fail unless efforts are made to consolidate and streamline the welfare, child support and related bureaucracies that presently exist. New Jersey is notable in that it has the second highest welfare administrative costs in the country.

Therefore, it is proposed that administration-- in such areas as child support, cash assistance and child care -- be consolidated and streamlined to increase efficiencies and to generate funds necessary for investments in increased child care and work activities. In addition, computer systems would be enhanced and new technologies and collaborative networks introduced to increase productivity and to allow for the advent of longer term change. Most importantly, efforts for future massive systemic change would begin to ensure that the various systems that provide workforce readiness activities -- most notably welfare and labor -- become fully integrated into the labor system's one stop career centers.

DRAFT**..... Engage the Private Sector**

Any new endeavor must acknowledge that a public/private partnership is a necessity if welfare reform is to achieve its work goal and if private sector employment is to be realized for most low income men and women. State leadership would call upon private industry and private service providers to undertake significant activities in the areas of job training, job placement, job development, and workplace supports that allow more people to access and maintain permanent employment.

**..... Broaden the Context of Reform Beyond Human Services -
The Responsibility of Other State Agencies**

A leadership role for other state agencies besides the Department of Human Services would be institutionalized in order to ensure that the comprehensive and coordinated approach required to make the Work First NJ waiver demonstration a success would be achieved. Welfare reform initiatives conducted exclusively within the parameters of human services have been unable to succeed. They require a concerted restructuring in areas that fully touch the lives of poor and working poor families. Roles would be spelled out and responsibility carefully crafted and monitored to make the greatest use of available state resources in such areas as transportation, education, labor, housing, health, banking and commerce.

..... Communicate a Message that All Work is Valuable

Because the Work First NJ demonstration would be making a strong commitment to job placement, it is important to communicate clearly that all work is valuable and respected. For most recipients, quick labor market attachment and gainful employment in all sectors of the economy will be necessary and appropriate.

..... Involve the Community in the Long Range Vision

Recasting the welfare system and changing the culture of government aid requires substantial community involvement and a grassroots commitment to change expectations. It is important that the Work First NJ demonstration be embraced as a movement toward long term fundamental restructuring of the entire system of economic and social assistance for needy individuals and families. In order to succeed, this new reform effort embraces an extensive public process and dialogue about changes and expectations.

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C. THE PROPOSED SOLUTION - THE WORK FIRST NJ DEMONSTRATION

The problems inherent in today's welfare system cannot be solved without a complete overhaul of the welfare delivery system. Under the Work First NJ waiver demonstration, the State proposes to make three important changes in welfare as New Jersey knows it today:

- It would throw out the old welfare model in favor of a temporary assistance program. New Jersey would consolidate several categorical programs and funding streams which have traditionally provided administrative support, cash, services, and emergency assistance to the state's economically needy citizens. Consequently, the current Aid to Families with Dependent Children (AFDC or Title IV-A), AFDC-Emergency Assistance (AFDC-EA), General Assistance (GA), General Assistance Employability Program (GAEP), GA-Emergency Assistance (GA-EA) and the Family Development Program (FDP-JOBS or Title IV-F) programs would be consolidated and replaced by the Work First NJ program.
- It would turn welfare into a work oriented program. It is proposed that Work First NJ become a temporary work subsidy program with time limited benefits and work related requirements. The Work First NJ project would help participants find and keep a job - and stay off of government assistance.
- It would set clear expectations and requirements. In order to be eligible for Work First NJ cash assistance and supports under this waiver demonstration, recipients would be required to follow the rules. Benefits would be tied to work-related requirements and personal responsibility efforts.

The following section outlines the major features of the new Work First NJ waiver demonstration, and provides an overview of the major systemic changes that the State proposes to take place in New Jersey to reform the current welfare system.

Program Eligibility, Requirements and Benefits

The Work First NJ waiver demonstration would redesign the current welfare system in a manner that simplifies previously cumbersome, overly prescriptive welfare regulations and requirements. Work First NJ would shift the emphasis of public assistance from a program that encourages dependence to one that emphasizes work and personal responsibility. As such, the State proposes that eligibility for the Work First NJ program, as well as benefits and program requirements, reflect the goal of assisting recipients to actively seek employment, find a job and permanently leave government assistance as soon as possible.

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Eligibility: The State proposes that, in order to qualify for benefits under the Work First NJ program, single adults and/or parents with children applying for assistance would be required to:

- Cooperate with child support in establishing paternity and obtaining support orders before the family/individual is eligible to apply for and receive cash assistance;
- Cooperate with work requirements;
- Apply for any other benefits for which they may be eligible, such as SSI, worker's compensation, RSDI, unemployment insurance benefits, etc. as a condition of eligibility;
- Be income and asset/resource eligible;
- Provide all necessary documentation, including Social Security Number(s);
- Sign an 'agreement to repay' statement, outlining an agreement to repay for assistance in the event of a windfall (e.g., lottery winnings, legal settlements, etc.).

Definition of an 'Assistance Unit':

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Income Eligibility and Resource Limits: Under the waiver demonstration, the financial income eligibility for a family would be set at 150% of the current maximum payment levels (see table A below). All available income with no disregards would be counted when making initial eligibility determination. Under the waiver project, the resource limit for eligibility would be raised to \$2,000 per unit and the automobile resource limit would be raised to \$4,600 (making it consistent with Food Stamp Program resource limits).

Table A
Maximum Monthly Income Levels and Payment Standards under Work First NJ

| | Number in Economic Unit | Maximum Subsidy Level | |
|--|-------------------------|--|--|
| | 1 | \$ 140 (non-exempt single adult without dependents) | |
| | | \$210 (exempt single adult without dependents) | |
| Entrance Level: 150% of Maximum Subsidy Level | | | Exit Level: 200% of Maximum Payment Level |
| \$243 | 1 | \$162 | \$324 |
| 483 | 2 | 322 | 644 |
| 636 | 3 | 424 | 848 |
| 732 | 4 | 488 | 976 |
| 828 | 5 | 552 | 1,104 |
| 924 | 6 | 616 | 1,232 |
| 1,016 | 7 | 677 | 1,354 |
| 1,092 | 8 | 728 | 1,456 |
| Add \$75 for each additional person | More than 8 | Add \$50 for each additional person | Add \$100 for each additional person |

Program Requirements: Once determined eligible, a single adult as well as one and two-parent families with children will be required to comply with several requirements as a condition of benefit receipt. Failure to comply with any of the conditions for assistance would render the single adult and/or family ineligible for continuing aid:

- All adult individuals or family members including both parents in a two-parent family would be required to cooperate with a work requirement, unless otherwise determined exempt from such requirements.
- All parents under age 18 (i.e. 'teen parents') would be required to live at home, with exceptions of good cause. They would also be required to complete their education (or a GED equivalent) and to attend parenting classes.

Under Work First, exemptions from work requirements will be.....**UNDER CONSTRUCTION.**

Benefits: Individuals and families who are determined eligible for benefits under the Work First NJ program will be provided the following -- provided they comply with all conditions for assistance. Under the Work First NJ waiver demonstration, benefits, most notably cash assistance, will be time limited:

- Child support payment, if appropriate
- Monthly cash subsidy (maximum allowable lifetime limit: 60 months)
- Enrollment and participation in (mandatory) work related activities
- Enrollment in the Home Energy Assistance and Food Stamp Program
- Subsidized child care, if necessary and appropriate
- Subsidized health care coverage, through the state's Medicaid and Access programs

Cash Subsidy Benefit Levels: The basic grant for all individuals and/or families in the Work First NJ program be based on the current maximum welfare grant levels. Changes from the basic grant level will be imposed based on the following individual/household conditions:

- Persons provided emergency assistance through the Work First NJ program, and placed in motel/hotel or shelter arrangements, would receive a reduced subsidy -- as they would be required to contribute 65% of their grant, as well as other available income, toward payment of the placement.
- Persons earning income through employment would have their income disregarded.....**UNDER CONSTRUCTION.**

Under the waiver demonstration, cash assistance through a work subsidy be time limited. This would mean:

- After receiving two (2) years of benefits, recipients would be required actively participate in a work activity unless otherwise determined exempt; and

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- After receiving five (5) years of benefits, cash assistance would be discontinued -- making the lifetime limit for a Work First NJ cash subsidy 60 months. *Exemptions* (determined at the front end of WFNJ eligibility) to the 60 month limit would be restricted to those individuals who are physically or mentally disabled, and others as the Commissioner deems necessary. *Extensions* (determined during the course of time on the program) would be limited to those individuals who.....
- EXEMPTIONS AND EXTENSION POLICY UNDER CONSTRUCTION.**

Welfare-to-Work Activities

Under the Work First NJ waiver, the project would emphasize and require work, stress personal responsibility and strive to move recipients toward attaining unsubsidized employment. Every Work First NJ recipient would be required to actively participate in a work activity that sets them on the road to full time employment. The State of New Jersey would provide funding for these activities as well as supports such as child care and health care coverage. The work activities which the State proposes to be supported by the Work First NJ program, and which would counted as viable work-related participation activities, would include:

Job Search and placement activities provide professional assistance and supervision in locating and obtaining a job. Under the waiver project, all new applicants would be required to participate in a structured job search program and seek work prior to referral to other work activities. At all times, all recipients would be encouraged to search for full time unsubsidized employment. This may also include a form of job placement in which the functions of seeking employment opportunities for participants, matching them to a job and coaching them in finding a job on their own is undertaken. This activity would be available under the Work First NJ demonstration through the use of performance based contracts with private vendors. Using a private sector, outcome-oriented model of job placement, vendors would be paid based on the number of job placements made and the number of participants retained in those jobs. Thus, the final outcome measure would be unsubsidized employment for participants and better job retention.

On-the-job training (OJT) is an activity in which a participant is hired by a public or private sector employer for which the employer is reimbursed for part of the person's wages while they are learning the job (average length of the activity is six months). During this time, the participant would be considered an 'employee in training' and receive wages from the employer. As such each recipient's Work First NJ cash benefit could be reduced based on the wages received.

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Work supplementation transforms cash assistance benefits into an on-the-job training resource. It is proposed that when a Work First NJ recipient is in an OJT position funded by work supplementation, all or part of their grant would go into a wage pool that is made available to employers to cover part of the wages paid during the on-the-job training period. At the end of both OJT and Work Supplementation, employers would be expected to provide employment opportunities thus enabling the trainee to continue in the job without a subsidy.

Community work experience (CWEP), otherwise referred to as unpaid work experience, offers the opportunity of placement in jobs in the public and not-for-profit sectors for recipients who, for a number of reasons, lack job experience and cannot find employment. Such placements would provide Work First NJ recipients with the work experience they need to prepare themselves and move into unsubsidized employment. Under the demonstration, it is anticipated that over 10,000 placements will be needed at an average work week of about 30 -35 hours per week. Agencies and organizations with provider contracts with the New Jersey Department of Human Services, county welfare agencies, schools, and other state and local public agencies would be actively sought as CWEP placement sites.

Vocational training provides recipients with a classroom training experience designed to provide instruction related to specific occupational areas in demand in their labor market area. If appropriate, the State proposes that classroom time would be combined with a Community Work Experience to provide hands-on experience along with their training to enhance their workforce attachment.

An alternative work experience (AWEP) offers the opportunity to combine a community work experience (CWEP) placement with basic secondary-level education, job training or job search for recipients who lack a high school diploma or have poor literacy skills, and who lack job experience. Similar to CWEP, not-for-profit agencies with Department of Human Services contracts, as well as state and local public agencies would be sought as AWEP placement sites.

A supported work activity experience, supported on-the-job employment opportunities, and sheltered workshop approaches (modeled after successful programs in the mental health and developmental disabilities field) would be initiated in each county. Supported work is a special type of work activity for those recipients who demonstrate serious barriers to employment (such as a learning disability or illiteracy, vocational immaturity, drug and alcohol problems, and/or physical/mental disabilities). The supported work activities would be developed and operationalized through the use of competitive contracts.

Overall, the Work First NJ waiver demonstration recognizes that there will be employability distinctions among the many program recipients. New applicants will be

quite different from the current population of families who have been on welfare for an extended period of time. The table below provides an outline of the levels of workforce readiness anticipated in the Work First NJ population, and the types of work-related activities in which these persons can be expected to engage.

Educational Opportunities: Basic education and literacy deficiencies are important reasons why many welfare recipients have been unable to find good jobs. The Work First NJ demonstration would recognize that for some men and women, access to remedial education and English-as-a-second-language is an important support toward long term employment and job retention. Under the Work First NJ waiver project, secondary educational enhancements (such as getting a GED) would be made available to recipients based on an assessment of their workforce readiness level. Participation in these educational supports would only be offered in combination with work experience and job search activities.

Workforce Readiness Ladder under New Jersey's WORK FIRST Waiver Project

| Workforce Readiness Indicators | Activity |
|---|--|
| High School Diploma Recent Work Experience (new applicants) | Job Search (4 weeks) or Job Placement/Job Empowerment |
| High School Diploma Recent Work Experience Has been unsuccessful at 4-week job search activity | Work Supplementation or On-the-Job Training (OJT) Community Work Experience |
| High School Diploma No/Irregular Work History | Group Job Search (4 weeks) combined with Job Readiness Training or Job Placement/Job Empowerment |
| High School Diploma Recent Work History Assessment indicates Poor Skill Level | Vocational Training |
| No High School Diploma No/Irregular Work History 19 Years of Age or Older | Alternative Work Experience (CWEP and education to complete GED) |
| No High School Diploma No/Irregular Work History 18 Years of Age or Younger (teen parent) | Attendance in High School |
| Limited Education No/Irregular Work History Demonstrates no observable physical/mental barriers to employment or those who have completed an activity but have not yet gained unsubsidized employment | Alternative Work Experience (Work and Search) |
| Limited Education No Work History Demonstrates Vocational Immaturity or Learning Disability or Observable Barriers to Employment (e.g., substance abuse, physical/mental handicaps) | Supported Work Experience such as sheltered workshop, supported OJT placement, and/or supported CWEP placement |

Child Support

Child support will be a critical component of the program's personal responsibility goal. The new program would recognize that both parents be held accountable for providing for their families. As such, under the waiver project all custodial parents would be required to cooperate with child support efforts - that is, to establish paternity and a child support order - as the first step in the application process.

With a renewed emphasis on child support responsibilities, New Jersey recognizes the need to establish a new more efficient child support program. Four major initiatives would be undertaken as part of the waiver project in the child support area to improve the efficiency, effectiveness, timeliness and equity of services; these would be:

- Restructuring of the child support program into one single state-administered organization.

The current child support system in New Jersey is fragmented, with responsibility shared between the court system (Administrative Office of the Courts) and the social services system (Department of Human Services and the county welfare agencies). Under the Work First NJ demonstration, New Jersey would streamline administration by placing all child support functions in one state organization.

- Development of a new administrative process for the establishment, enforcement and modification of child support orders.

The child support program would be redesigned and organized into four major components: Intake, Consent/Location, Enforcement, and Collection/Distribution. The new single administrative organization would be responsible for managing the establishment, collections and enforcement work. It is proposed that the entry of new orders onto the state's computer system, the initiation of collections, and of enforcement actions, would become more reliable and streamlined. Under the waiver demonstration, the new organization would be responsible for the following functions:

- Support and Paternity Establishment (for Work First NJ recipients, non-Work First recipients, intrastate customers and interstate customers);
- Enforcement;
- Customer service and intake;
- Service of process conducted by a local office;
- Administrative process for establishing and enforcing orders;
- Review and adjustment of administrative and judicial orders; and
- Collection through a new centralized vendor.

- Centralization of the processing and distribution of payments.

Effective January 1995 the deposit and distribution of child support collections was centralized. Under the Work First NJ demonstration, New Jersey would seek to competitively contract with one vendor for the processing and distribution of all payments at one central location. A centralized vendor would process daily all payments from obligors, employers and out-of-state agencies into ACSES. This process would allow payments to be remitted electronically and for payments to be deposited directly into obligee's accounts - thus eliminating the need to produce and mail checks.

- Procurement of more cost effective services through the use of competitive contracting for establishment and/or enforcement functions.

The State proposes to seek to competitively contract for establishment functions, enforcement functions or both through the use of private vendors. Competitive contracting has been gaining widespread acceptance within state child support programs, offering more cost effective service and flexibility. While private vendors would be solicited through established state procurement processes, court and/or county welfare agencies would have the option to compete in the process as well.

New Administrative Structure and Revamped Service Delivery System

New Jersey will consolidate several categorical funding streams which have provided administrative support, cash, services, and/or emergency assistance to the state's economically needy citizens. Under the waiver demonstration, Work First NJ benefits (cash and services) would be made available to both income-eligible single individuals and families and would be delivered at the local level through one administrative entity. In the short run, this single administrative entity will be the county welfare agency.

In an effort to place county welfare agencies as well as other service providers in a position to achieve greater program and cost efficiencies, the State proposes that several administrative changes be undertaken. Major changes would include:

1. Integration of New Technology: Development of a new Work First NJ benefits intake system which would use advanced technology to shorten and streamline the application and eligibility process.

A new computerized application and eligibility determination system would be developed which would move away from the terminal/mainframe system currently

used in the AFDC, Food Stamp and Child Support programs toward use of a personal computer with a graphical application for front line generic workers to do intake and eligibility determinations on-line. This new system would:

- Produce a paperless application for benefits, including Work First cash assistance, food stamps, child support, child care, and health care/Medicaid. Eligibility would be determined, and benefits calculated, electronically.
- Provide immediate on-line interfacing with other wage and employment systems for fraud detection, prevention and investigation.
- Create electronic information and referral to child support, work activities and other Work First support benefits such as child care and health care coverage.
- Enhance and accelerate reporting capabilities on Work First clients (demographics, benefits, services provided, outcomes), on benefit payments and financial transactions, and on contracted providers of service.
- Develop a unique client identifier essential to meet the goal of sharing client data and profiles. A long range goal of the system would be to complement the client identifier with a physical identifier (e.g., fingerprint and/or photograph).
- Establish a connection with other social services, education, health and employment and training systems through electronic connection to the developing Community Link Network.

A long range plan of the system would be to develop one single debit card for all New Jersey-related cash benefits (including but not limited to Work First NJ, Medicaid, Unemployment Insurance, etc.) as well as to expand intake, eligibility and benefit determinations in offices, agencies and organizations outside of the current county welfare office. Therefore in the future, application for a myriad of state programs would be available not only at a single core administrative site, but also at many decentralized sites in each county through electronic connections using the Community Link Network.

2. Movement toward a Performance-Based System: Establishment of competitive contracting and the utilization of performance based contracting for administrative functions.

In an effort to achieve more cost effective and flexible means to administer the elements of the proposed Work First NJ program, the Department of Human Services proposes to actively encourage county welfare agencies to competitively contract out elements of their administration.

3. Establishment of competitive contracting and the utilization of performance based contracting for services to Work First NJ recipients.

In an effort to achieve more cost effective and flexible means to deliver the work activities and other related services of the Work First NJ program, the State proposes to expand and maximize competitive and performance based contracting in the purchase of services. This includes, but would not be limited to, entering into contracts with private sector vendors for job placement and development.

4. Establishment of a universal 'generic' intake process.

With the advent of a computerized application, and with streamlined eligibility, determinations and redeterminations, the need for multiple category-based administrative intake functions would no longer be necessary. The State proposes that duplicative intake functions be collapsed and provided through a universal generic intake system.

Movement toward a Universal Service Delivery System:

1. Expansion of an Electronic Benefits Transfer (EBT) System and creation of a single identification card.

Under the Work First NJ demonstration, the issuance of welfare checks, food stamp photo identification and Medicaid status cards would be eliminated. All cash benefits and access to health care eligibility and managed care enrollment would be provided through the issuance of a single benefit and eligibility card. It is proposed that all Work First NJ recipients be able to access their cash benefits, including food stamps, through ATM machines and/or point-of-sale terminals in food stores using a 'Families First' card. Health care providers would be able to use this card to obtain vital health benefits information about Work First NJ recipients by swiping the card through card-reading equipment in their offices. In the future, it is anticipated that all New Jersey residents receiving a cash benefit (including Work First NJ, Unemployment Insurance, disability benefits or worker's compensation, food stamps, etc.) would be able to access their benefits through EBT and this single card.

2. Consolidation of all child care program administrative functions into one single agency.

Currently, New Jersey supports four different child care voucher programs, resource and referral programs, dependent care programs, family day care programs, employment retention initiatives and child care training programs -- administered by a variety of public and non-profit agencies in each county. Under Work First NJ, the

State proposes that the operation of all of these programs be consolidated into one county-based service delivery system. The Department of Human Services would issue a Request for Proposal to facilitate the creation of a single agency in each county to provide administrative services for all child care programs.

3. Development of uniform admissions and exit criteria for subsidized child care services.

Under the Work First NJ demonstration, more uniform admissions and exit criteria will be established and required by all child care subsidy programs administered by the New Jersey Department of Human Services. The new criteria would target the most vulnerable children and ensure compliance with federal work mandates. In addition, admissions into child care subsidy programs would be prioritized by using a two-tiered approach based on income as well as child welfare and Work First NJ requirements.

4. Development of one universal workforce readiness service delivery system by the Year 2000.

Efforts will begin to develop, between the Departments of Human Services and Labor, long range integration the state's two workforce readiness systems. It is envisioned that in place of the current fragmented and duplicative structure, one comprehensive workforce readiness system could be established that delivers benefits and provides assistance with employment and employment-related services for all New Jerseyans. Ultimately, the provision of job options and career information, job training and vocational education, job placement, temporary financial aid and support services (such as health care, child care, and transportation) could be brokered and delivered through one single comprehensive system that all New Jersey residents will have access to in their community. An inter-departmental work group will be convened with the charge of developing a blueprint for the planning and implementation of this goal including broad public involvement.

Welfare-to-Work Support Services:

The Work First NJ waiver demonstration will provide several important support services. These services -- most notably child care and health care coverage -- are essential to ensure full participation in work-related activities, as well as to move recipients into an unsubsidized job.

Previous reform efforts provided these supports primarily for AFDC recipients and for those on AFDC who left welfare due to earned income. This meant that a parent was entitled to child care and health care coverage only if they had been on welfare. However under Work First NJ, the State proposes that all low wage working individuals and families have the ability to take advantage of available subsidies for

child care and health care coverage. It is proposed that Work First NJ would shift the emphasis from a policy where only those who have been on welfare can get support services - toward a more equitable and broader base of support for all income eligible working individuals and families.

Child Care: Child care will be offered to assist Work First NJ recipients who need care for infants, pre-schoolers and school age children.

UNDER CONSTRUCTION

In the area of administration, New Jersey has proposed a redesign of its subsidized child care service system. The goal of the redesign is to streamline a complex and categorically based child care system. This proposal is currently under public review and was developed assuming a block grant environment; therefore, it will require federal waivers and approval for implementation. Many of the changes proposed include:

- increased funds available for child care expansion through administrative efficiencies and redirection;
- improvement of coordination and maximization of the effectiveness of the child care system; and
- expansion of subsidized child care capacity through a variety of initiatives with the state agencies and entities.

Major features proposed also involve establishment of uniform admissions and exit criteria, proposal of new income eligibility based on the poverty level, implementation of a single administrative entity in each county, transfer of the registration of family day care homes to the Division of Youth and Family Service Bureau of Licensing, and revision of the child care subsidy fee schedule and definition of a day of service.

Health Care Coverage: Health care benefits will be available to Work First NJ recipients. To the greatest extent possible, health care coverage for Work First NJ recipients would be provided under the New Jersey Care 2000 program. For all eligible recipients, health care coverage will be obtained through existing managed care organizations.

For recipient families under Work First NJ, Medicaid coverage would continue as it currently exists, including the two year Medicaid coverage for those who would leave Work First NJ due to employment. For single adults, medical support (such as that currently available to General Assistance recipients) would be provided to active Work First NJ recipients.

Other Supports:

Emergency Assistance (EA): Emergency assistance for recipients who are 'homeless' or 'imminently homeless' due to situations which they could not prevent, would be made available through the Work First NJ demonstration. Time limits on such emergency aid be initiated and controls on dollars and placements be strictly monitored. The provision of emergency assistance would thus be made available to only those individuals and families who can demonstrate a true emergency, as well as to provide a short term intervention to alleviate homelessness. In addition:

- Emphasis be placed on well-developed service plans for remedy of the emergent situation and on compliance with plans for remediation;
- Persons needing short term interventions (usually 1-3 months in duration) be provided limited emergency assistance. This assistance could include back rent, back utilities, up front security deposits, and shelter placements. It is proposed that emergency assistance receipt be limited to one time within any twelve month period, with exceptions provided on a case-by-case basis;
- Longer term placements would be provided through temporary rental assistance (TRA) and be strictly limited to twelve months. Eligibility for placement would be determined by Work First NJ eligibility workers.
- Emergency placement in a motel/hotel or homeless shelter would be limited to three months, with an additional two one-month extension subject to strict criteria;
- It is proposed that Work First NJ recipients provided emergency assistance and placed in motel/hotel or shelter arrangements be required to contribute 65 percent of their available income toward payment of the emergency shelter;
- Persons evicted for cause, and teen parents aged 18 years or younger, living with parents, would not be eligible for emergency assistance;
- Use of emergency assistance for transitional housing arrangements would only be approved in limited circumstances, and only for persons deemed most severely disadvantaged.

Vouchers for Work-Related Needs: Vouchers (with a maximum lifetime limit of \$500 per economic unit) will be offered to Work First NJ recipients to cover expenses necessary to engage in required work-related activities. Allowable expenditures may include clothes needed for employment, basic automobile maintenance to get to an activity site, and employment-related tools and supplies, licensing and testing fees, etc. These vouchers would be based on documented need only.

Transportation-Related Expenses (TRE): Transportation-related expense (TRE) component be provided to recipients to support their participation in work activities. Monthly bus passes will be provided first, prior to authorization for a cash stipend. If public bus transportation is not viable, a stipend of \$6.00 per day or \$30 per week may be available to Work First NJ recipients to meet the costs of transportation to get to child care, to a work activity, or to search for a job. The stipends would be based on documented transportation need and restricted to only those recipients actively participating in a work-related activity.

Sanctions for Non-Compliance with Program Requirements:

Work First NJ demonstration sets tough new limits. Persons who do not comply with program requirements would be subject to sanctions for non-compliance. Work First NJ would, however, offer assistance and supports to those individuals and families who work toward employment. The Work First NJ demonstration would strive to strengthen the existing welfare system's sanctioning features with several new proposed requirements:

Failure to comply with *eligibility requirements for assistance under the WFNJ program:* Failure at any time to cooperate with Work First NJ program eligibility requirements would result in total ineligibility for the applicant unit for the Work First NJ program.

Failure to comply with *Work First NJ work participation requirements:* The State proposes that failure to actively cooperate and participate with work requirements such as job search, job assessment, job placement, CWEP, AWEP, On-the-Job Training, etc. would result in ineligibility for cash assistance the economic unit as follows (with the exception noted below for 16-18 year olds).

UNDER CONSTRUCTION

Notice Requirements and Appeals Process: A streamlined and more simplified notice and hearing requirements. It is the goal of the program to ensure due process to those applying for benefits, as well as to those individuals and families sanctioned. Specifically, under the program notice requirements would be streamlined and situations in which timely versus adequate notice is required would be redefined.

III. WAIVERS REQUESTED FOR AFDC AND JOBS

New Jersey requests the following AFDC (Title IV-A and Title IV-F) waivers to implement the welfare reform initiatives outlined in Work First NJ.

#1. INCOME LIMIT TEST FOR ELIGIBILITY AND MAXIMUM PAYMENT SCHEDULES

Section 402 (a) (18):

45 CFR 233.20 (a) (3) (xii)
45 CFR 233.20 (a) (2) (i) and (ii)
45 CFR 233.20 (a) (3) (ii)

Waivers are requested to change the income limits test and the standard of need provisions for eligibility testing and payment of the eligible assistance unit. The goal is to streamline and simplify the eligibility process.

Waivers are requested to replace the maximum income limit test in the first step of the eligibility determination process with a new maximum income scale for the redefined household. This income limit or eligibility doorway is based on a simplified table reflecting 150% of the State's maximum payment standard established by State appropriations. The new income limits test compares the household income of the "new" family to the maximum income scale by family size, and serves to determine whether all countable income of family members, before disregards, leaves the assistance unit eligible for cash assistance. If the household income is less than the maximum income for the family size, then the assistance payment will be determined by subtracting countable income from the maximum payment standard for the assistance unit size.

#2 EARNED INCOME DISREGARDS

Section 402 (a) (8) (A)

Waivers are requested to allow the State to strengthen its earned income disregard policy and to simplify an overly complex financial eligibility and disregard system which has not served as an incentive for recipients to secure and maintain employment.

UNDER CONSTRUCTION

DRAFT

#3. FILING UNIT/ASSISTANCE UNIT COMPOSITION**Section 402 (a) (38) and 406 (b)**

45 CFR 206.10 (a) (1) (vii)
45 CFR 206.10 (a) (1) (vii) (A) and (B)
45 CFR 233.90 (a) (1), (b) (4), (c) (1) (I) - (iv)
45 CFR 233.20 (a) (3) (xlv)
45 CFR 233.20 (a) (1) (iii)
45 CFR 233.100

Waivers are requested to allow the State to exclude certain individuals from the filing unit provisions for AFDC for determination of cash assistance. These exclusions include:

Family Cap on Receiving Benefits: A waiver is requested to allow the State to deny any incremental increase in AFDC benefits to a family as a result of a child born to that parent ten or more months after the family begins to receive cash assistance under WFNJ/AFDC. A waiver is needed to exclude those newborn siblings from the filing unit provisions. No cash assistance will be provided for the needs of such newborns born outside of the ten month grace period, with the exception of the first born child of a parent-minor. In such circumstances the parent-minor shall be held to the family cap provisions from the date of birth of the first child. Children not provided cash assistance will be eligible for Medicaid and will be considered members of the filing unit or public assistance unit for all purposes, including Title IV-D provisions, and will be recognized as a Title IV-A child(ren) for assignment of support and in the collection and distribution of those moneys pursuant to 45 CFR 302.51(b).

Two-Parent Families Who Do Not Meet Federal Work Criteria: Waivers are requested to include AFDC-N type individuals in the same assistance unit concept as used with AFDC-C and -UP type individuals in New Jersey. With this waiver and the other waiver provisions contained herein, we will also be seeking federal financial participation for this population under Work First NJ.

#4 DEPRIVATION REQUIREMENTS

Section 406 (a) and 407 (a)

- 45 CFR 233.10 (b) (2) (ii) (a) (2)
- 45 CFR 233.90 (c) (1) (i), (ii), (iii) and (iv)
- 45 CFR 233.90 (a) (1)
- 45 CFR 233.100 (a)

Waivers are requested to allow the Work First NJ assistance unit to receive cash benefits, if otherwise eligible, without regard to the deprivation of parental support due to death, disability, continued absence, or unemployment.

#5. TIME LIMITS

Section 401

- 45 CFR 233.10 (a) (1) (ii) (B)

Waivers are requested to limit the receipt of WFNJ benefits to 60 cumulative months of assistance to any person who makes an application for public assistance in New Jersey and who has reached age 18 and no longer qualifies as a dependent child, incorporating the following exemptions to the time limit:

UNDER CONSTRUCTION

and incorporating the following extensions to the 60 month time limit under circumstances described below:

UNDER CONSTRUCTION

#6 WAIVER OF STATEWIDENESS

Section 402 (a) (1)

Section 482 (a) (1) (A) and (D) (I)

45 CFR 233.10 (a) (1) (I) - (vii)

45 CFR 250.11 (a)

Waivers are requested to allow for a phase-in both geographically and by different case characteristics of WFNJ policies and procedures throughout the state. It will thus permit the co-existence of AFDC/Family Development Program/JOBS and WFNJ during the phase-in of the new WFNJ program and the phase-out of the Family Development Program.

#7 INELIGIBILITY FOR ASSISTANCE DUE TO NON-COMPLIANCE WITH IV-D REQUIREMENTS

Section 402 (a) 26 (b):

45 CFR 232.11 (a) (2) and (3)

45 CFR 232.12

45 CFR 233.90 (a) (4) (I) and (ii)

45 CFR 232.13 (b) (2)

A waiver is requested to render an applicant/recipient parent and dependents ineligible for WFNJ assistance if the applicant/recipient fails to cooperate with child support requirements, including the establishment of paternity of the non-custodial parent (absent parent and/or putative father), unless the applicant/recipient verifies there is good cause for not providing this information. Good cause includes, but may not be limited to documentation of incest, rape, or the existence or the threat of physical/mental abuse to the child or custodial parent.

#8 SANCTIONS FOR FAILURE TO COMPLY WITH OTHER WFNJ ELIGIBILITY AND PARTICIPATION/WORK REQUIREMENTS

Section 402 (a) (19) (G) (i) and (ii)
Section 482 (h)

45 CFR 250.34
45 CFR 250.31 (a) and (b) (1)
45 CFR 250.36
45 CFR 233.10 (a) (1) (B)
45 CFR 233.20 (a) (1) (v)
45 CFR 233.90 (b) (2)

Waivers are requested to render an applicant/recipient ineligible for WFNJ assistance if the applicant/recipient fails to cooperate with program eligibility requirements. These requirements are:

- Cooperation with work requirements;
- Application for any other benefits for which they may be eligible;
- Provision of all necessary documentation, including social security numbers (SSN);
- Compliance with all personal identification requirements (including, but not limited to photo and/or finger imaging identification); and
- Signing of an 'agreement to repay' statement outlining an agreement to repay for assistance in the event of a financial windfall

Waivers are also requested to allow the State to impose sanctions on an AFDC recipient/assistance unit who falls without good cause to comply with the participation/work requirements agreed to by the recipient and the State. The agency will sanction the recipient in the following manner:

UNDER CONSTRUCTION

#9 INTENTIONAL PROGRAM VIOLATIONS

Section 416

45 CFR 235.112

A waiver is requested to permit the State to disqualify the entire assistance unit for six months for the first offense, twelve months for the second offense, and permanently for the third offense, when a determination is made that an intentional program violation has been committed.

In addition, the State requests a waiver to use other administrative measures in line with the Food Stamp program to disqualify the entire assistance unit. These cases include instances when individuals have signed a waiver of a right to an administrative disqualification hearing via an administrative disqualification agreement; or, for those who have signed a disqualification consent agreement because the case has been referred for prosecution.

#10 FLEXIBILITY TO RESTRICT THE USE OF A PORTION OF THE ASSISTANCE GRANT

Section 406 (b) (2)

45 CFR 234.11

45 CFR 233.120

45 CFR 234.60 (a) (14)

45 CFR 255.4 (j) (4)

Waivers are requested to allow the State to recover overpayments of support services (e.g., child care subsidy) and emergency assistance from the cash assistance payment without the voluntary agreement of the family.

Waivers are also requested to allow the State to require partial payment of shelter costs through the grant payment process in circumstances where a) recipients are provided emergency assistance and placed in motel/hotel or shelter arrangements; and b) minor parent applicant/recipients (age 18 and under) have chosen to use an extended family home arrangement approved by the State as a last resort to being rendered ineligible for assistance for not living under adult supervision.

#11 GENERAL RESOURCE LIMITSection 402 (a) (7) (B)

45 CFR 233.20 (a) (3) (i) (B)

Waivers are requested to increase the resource limit to \$2,000 which is the limit currently used in the Federal Food Stamp Program, excluding residence property, for applicant and assistance units. The Work First New Jersey Program also seeks to align the treatment of resources in the same manner in both programs to create a streamlined, more efficient eligibility process wherever possible.

#12 RESOURCE LIMIT FOR MOTOR VEHICLESection 402 (a) (7) (8) (i)

45 CFR 233.20 (a) (3) (i) (B) (2)

Waivers are requested to disregard the value of a motor vehicle(s) per assistance unit with an equity value of \$4,600 or less to be consistent with federal Food Stamp program motor vehicle resource limits for a motor vehicle.

#13 EARNED INCOME OF DEPENDENT CHILDRENSection 402 (a) (8) (A)

45 CFR 233.20 (a) (3) (xix) and (xx)

Waivers are requested to disregard the earned income of dependent children attending school full-time in the eligibility determination and benefit calculation processes with no time limitation on the disregard.

#14 EXPANSION OF JTPA DISREGARD TO OTHER ACTIVITIES WITH SIMILAR INTENT

Section 402 (a) (8) (A) (iv) and (v) 402 (a) (18)

45 CFR 233.20 (a) (11) (v) and (vi)
45 CFR 233.20 (a) (3) (xvii) (A) and (B)

Waivers are requested to expand the disregard earnings received by a dependent child from non-JTPA training programs (such as the State Youth Corp Program and the Americorp program) in the eligibility determination and benefit calculation with no time limitation. Waivers are also requested to expand these disregard provisions to young parents up to age 25 who are participating in JTPA and non-JTPA type employability activities.

#15 AFDC-UNEMPLOYED PARENTS (AFDC-UP) REQUIREMENTS

Section 402 (a) 41

Section 407 (a)

Section 407 (d) (4)

Section 407 (b) (1) (A) (i) and (iii) (i):

45 CFR 233.100 (a) (1) - (2)
45 CFR 233.100 (a) (3) (i), (iii), (iv), (v), (vi), and (vii)
45 CFR 233.100 (c) (1) (i), (iii), (iv)
45 CFR 233.100 (c) (2) and (c) (2) (i)

Waivers are requested to allow the State to create equity in eligibility criteria between families headed by a single parent and families headed by two parents. Waivers of these sections will allow New Jersey to eliminate the 100-hour cap, to eliminate the principal wage earner provision, to eliminate the work history requirement for AFDC-UP eligibility, and to seek federal financial participation for all two-parent families (NJ AFDC N-segment) under the WFNJ program.

#16 EXEMPTION FROM PARTICIPATION IN WORK REQUIREMENTSSection 402 (a) (19) (C)

Waivers are requested to allow the State to make the following changes to the exemption criteria:

UNDER CONSTRUCTION**#17 COUNTABLE WORK ACTIVITIES FOR TWO PARENT FAMILIES**Section 403 (e) (4) (A) (i) and (ii)

45 CFR 250.33

A waiver is requested to allow the State to provide, and count toward its participation rate requirement and for federal funding purposes, all available work activities to two-parent families that are available to single parent families.

#18 FORMAL ASSESSMENT AND EMPLOYABILITY PLAN REQUIREMENTSSection 482 (b) (1) (B) and 482 (b) (2)

45 CFR 250.41

Waivers are requested to permit the State to redefine the formal assessment, extensive testing, and employability plan requirements prescribed by the federal government. The waivers will allow the State to develop less onerous and more flexible assessment capacities at the local level, and more efficient and expeditious participation plans designed to quickly move recipients into work activities and full time unsubsidized employment.

#19 COMMUNITY WORK EXPERIENCE LIMITATION ON HOURS

Section 482 (f) (B) (i)

45 CFR 250.63 (d) and (f) (1) and (2)

45 CFR 251.0 (a) (5)

45 CFR 251.5 (a) (3)

Waivers are requested to permit the State to set required hours of Community Work Experience participation based on the standard job site work week (for example 35 hours per week), and thus eliminate the requirements which stipulates that CWEP maximum hours be based on a calculation from dividing the family's grant amount by the greater of the federal or state minimum wage. Waivers are also requested to permit the State to determine the appropriate intervals of CWEP placement evaluation.

#20 WORK SUPPLEMENTATION PROGRAM

Section 482 (a) (3), 482 (e) and 484 (c)

UNDER CONSTRUCTION

Waivers are requested to allow the State to structure a Work Supplementation program activity which is more flexible and less onerous. Waivers are sought which would alleviate restrictions on the use of established positions for work supplementation individuals, broaden income disregards for individuals in work supplementation, and cashing out food stamps for work supplementation recipients for use in the wage pool.

#21 JOB SEARCH

Section

45 CFR 250.60 (c) (1) and (2)

45 CFR 233.10 (a) (1) (ii) (A) and (B)

Waivers are requested to allow the State flexibility in the use and duration of job search as a mandatory work activity.

#22 MANDATORY VS. OPTIONAL PROGRAM COMPONENTS FOR PROGRAM EMPHASIS

Section 482 (d) (1) (A) and (B)

45 CFR 250.0 (a) (2)

45 CFR 250.44

Waivers are requested to permit the State to modify the stated goal of its JOBS program to place emphasis on work and child support as the central focus and activity related to help avoid long term welfare dependence. Waivers are also sought to allow the State to provide an educational activities only in conjunction with a work activity (work/study) under the component entitled 'alternative work experience' in recognition of those recipients who are determined in need of remedial education or English as a Second Language

#23 VOLUNTARY QUIT PENALTY

Section

45 CFR 250.34

45 CFR 233.20 (a) (iii) (A or B)

45 CFR 233.100 (a) (3) and (c) (2)

45 CFR 233.101 (a) (3) and (c) (2)

Waivers are requested to permit the State to make ineligible for WFNJ benefits any recipient who voluntarily quits employment or reduces hours of employment without good cause. Recipients subject to the 'voluntary quit' penalty will be considered ineligible for WFNJ benefits for a mandatory 90 day period.

#24 GOOD CAUSE FOR NOT TAKING A JOB OR PARTICIPATING IN A JOBS ACTIVITY

Section 402 (a) (19) (H)

45 CFR 250.35 (c) (1) and (2)
45 CFR 250.35 (a)

Waivers are requested to allow the State to change what constitutes 'good cause' for not taking a job or participating in a work activity by elimination of the 'net loss of cash income resulting from the acceptance of a job' cause requirement, elimination of the 'caring for a child under age 6 when employed' requirement, and elimination of the 'employed more than 20 hours' requirement.

#25 BASIC LITERACY LEVEL REQUIREMENT

Section 482 (d) (2) and 482 (d) (1) (A) (i) (i)

45 CFR 250.1
45 CFR 250.44 (a) (2)

Waivers are requested to allow the State to modify the definition of literacy level currently defined as grade level 8.9 to provide greater flexibility for local assessment and determination of workplace literacy needs.

#26 PARTICIPATION AND MATCH RATES

Section

UNDER CONSTRUCTION

Waivers are requested to modify the definition of participation for enhanced federal financial participation to permit the State to count "work" not just in the month it is attained, but for every month the individual remains employed and in receipt of cash assistance, even if the benefit amount falls below ten dollars whereby eligibility exists, but no payment is made.

#27 REPORTING REQUIREMENTS

Section

UNDER CONSTRUCTION

#28 CHANGE TO FEDERAL HIERARCHY FOR ALLOCATING JOINT ADMINISTRATIVE COSTS

Section

45 CFR 74.53, 74.95, 74.97 and 74.171

Waivers are requested to permit the State to draw down all administrative costs related to the intake and determination of eligibility process to all programs. Where AFDC and another prram(s) benefit, current cost allocation procedures require Title IV-A to be charged for joint costs/activities as the primary benefitting program. Waivers are requested to allow the State to charge Title IV-D the applicable administrative costs whether or not another program also benefits from that activity.

#29 ADMINISTRATIVE ENTITY

Section 402 (a) (1) and (3)

45 CFR 205.100 (b) (1)

45 CFR 205.120 (a) (2)

45 CFR 302.12 (a)

45 CFR 303.20 (e)

Waivers are requested to allow the State to administer the WFNJ program components at the local level through public and/or private administrative entities rather than solely through political subdivision agencies of the State. Crucial to the redesign of the WFNJ program is the ability to undertake universal generic intake and use other administrative entities to handle cash assistance activities, case management, child support and paternity activities, work-related activities, as well as the provision of child care subsidy services through other administrative entity(ies).

#30. ADMINISTRATIVE COST LIMITS FOR ADMINISTRATIVE ENTITIESSection

45 CFR 235.63 and 235.64
45 CFR 250.73 and 250.74

Waivers are requested to permit the State to limit the amount of the federal financial participation (FFP) that is forwarded to the counties (i.e., the sub grantees) for Title IV-A and IV-F administrative costs. In the event the counties incur administrative expenses that are eligible for FFP in excess of the amount necessary to receive its full allotment, the State will be permitted to retain the 'excess' FFP and redirect those funds into program services.

#31 TRANSITIONAL CHILD CARE (TCC) - INCREASED ELIGIBILITYSection 402 (g) (1) (A) (iii) - (iv)

45 CFR 256.2 (b) (2), (c), (d) and (e)

A waiver is requested to permit the State to provide transitional child care services to program eligible families who cease to be eligible for AFDC without consideration for the duration of time enrolled in the AFDC program. Families who leave AFDC due to employment would be eligible to receive federally matched Title IV-A TCC benefits in the first month in which they are ineligible for AFDC.

#32 EXPANSION OF TITLE IV-A FEDERAL FINANCIAL PARTICIPATION TO INCLUDE CHILD CARE RECRUITMENT, TRAINING, RESOURCE DEVELOPMENT AND LICENSING ACTIVITIESSection 403 (l) (1) (A)

45 CFR 255.4 (f) (1)

A waiver is requested to permit the State to receive the established rate of federal financial participation matching funds for child care services which involve recruitment and training of child care providers, resource development, and licensing activities associated with Title IV-A children and child care providers who receive Title IV-A funds.

IV. WAIVERS REQUESTED FOR MEDICAID

New Jersey requests the following Medicaid waivers to implement the welfare reform initiatives outlined in Work First NJ.

#33 MEDICAID EXTENSION

Section 1925 (b) (1)

A waiver is requested to allow the State to authorize Medicaid for 24 additional months for AFDC recipients who lose eligibility because of employment and eliminate the six-month eligibility test and conditions following the first six-month period.

Waiver of this provision will allow newly employed beneficiaries to focus on continued work related self-improvement including the acceptance of promotions and additional hours of work without having to consider the potential impact on their health care coverage.

#34 QUARTERLY REPORTING

Section 1925 (b) (2) (i) (ii)

A waiver is requested to permit the State to eliminate the burdensome and onerous mandatory reporting of recipients report income and third party liability information on a quarterly basis as a condition of eligibility. Waiver of the income test (#34) would render quarterly income reporting unnecessary. The administrative expenses of establishing a quarterly reporting system solely for third-party liability is mitigated by the third-party liability activities for which the State has contracted. A contractor compares the Medicaid eligibility file to enrollment in 30 private health insurance plans. Additionally, as part of our wage match activities, wage 'hits' result in an outreach to employers to identify potential third-party liability coverage.

Further, within a Medicaid managed care environment, physician case managers have a financial incentive to identify other third party liability. Thus, quarterly reporting is a redundant administrative process identifying only previously identified third-party health coverage.

#35 NOTICE PROVISIONS FOR MEDICAID EXTENSIONSection 1925 (b) (2) (A) (i) (ii)

A waiver is requested to permit the State to eliminate the requirement that families in extension be noticed in the third and sixth month of extension, advising of mandatory reporting requirements. A waiver of the income and third part liability reporting makes this requirement unnecessary.

#36 TERMINATION OF EXTENSION IF NONCOMPLIANCE WITH QUARTERLY REPORTINGSection 1925 (b) (3) (A) (iii) (i) (ii)

A waiver is requested to permit the State to eliminate requirements for termination of a Medicaid extension for any family which fails to meet the quarterly reporting requirement, the income test of 185 percent of the Federal Poverty Level, or where the caretaker did not have income in any one of the previous months of a report period. A waiver of the reporting requirement makes this provision unnecessary.

V. WAIVERS REQUESTED FOR FOOD STAMPS

New Jersey requests the following Food Stamp waivers to implement the welfare reform initiatives outlined in Work First NJ.

#37 WORK SUPPLEMENTATION

Section 6(d)(4)(B) and 17 (b)

7 CFR 273.23

7 CFR 271.2

7 CFR 273.7(f) and (g)

Waivers are requested to allow the State to permit work supplementation as a food stamp work requirement and to allow the cashing out food stamp when a WFNJ/Food Stamp recipient is participating in a work supplementation activity. The food stamp allotment will be combined with the WFNJ cash grant and placed into the wage pool, which in turn will be provided to the recipient's employer as a wage subsidy.

#38 FOOD STAMP ADMINISTRATIVE ENTITY

Section 11 (e)

7 CFR 272.4

Waivers are requested to allow the State to administer the Food Stamp Program components at the local level through public and/or private entities rather than solely through political subdivision agencies of the State. Crucial to the redesign of the Work First NJ program is the ability to undertake universal generic intake, and use other administrative entities to handle cash assistance, case management, child support and paternity activities, work-related activities, child care supports, and the administration of the Food Stamp Program.

VI. EVALUATION PLAN, RESEARCH DESIGN AND METHODOLOGY

UNDER CONSTRUCTION

VII. WORK PLAN

The tasks that must be accomplished to carry out the project are as follows:

UNDER CONSTRUCTION

VIII. PROJECT STAFF AND FACILITIES

The New Jersey Department of Human Services, in conjunction with its respective divisions and other state departments, has formed a partnership to design, develop and implement the Section 1115 demonstration. This cooperative approach will ensure an effective development and smooth implementation as well as bring inter-agency responsibility and ownership to the project.

The NJ Department of Human Services, Office of Policy and Planning with the Office of the Chief of Staff, has primary responsibility for the development phase of Work First NJ. Attachment ___ is an organizational chart of the central office of the NJ Department of Human Services.

The Division of Family Development has primary responsibility for the administration and comprehensive operations of the Work First NJ program and will be responsible for administration of the waiver. Attachment ___ is an organizational chart of the Division of Family Development.

THE WHITE HOUSE
WASHINGTON

February 9, 1996

WR - New Jersey

MEMORANDUM FOR BRUCE REED
IRENE BUENO

FROM: SUSAN BROPHY *SB*
LEGISLATIVE AFFAIRS

SUBJECT: Presidential Correspondence

Enclosed please find a copy of the letter sent to the President from Rep. Rodney Frelinghuysen (D-NJ), Rep. Dick Zimmer (D-NJ), Rep. Jim Saxton (R-NJ), Rep. Bob Franks (R-NJ), Rep. Billy Martini (R-NJ), and Rep. Frank A. LoBiondo (R-NJ).

I do not believe this letter requires a Presidential response at this time; therefore, I would appreciate your looking into this matter and directly responding to these representatives. Please forward a copy of your response for my files.

If you have any questions, please do not hesitate to contact Jocelyn Jolley (456-7500).

Enclosure

Congress of the United States

House of Representatives

Washington, DC 20515

February 2, 1996

96 FEB 6 P2:25

The Honorable William Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear President Clinton:

We are writing in support of Governor Christine Whitman's welfare reform initiative in the State of New Jersey and her challenge for you to sign legislation which represents the consensus reached by Congress and many Governors who believe that it is time to reform our failed welfare system.

The legislation that passed both the House and Senate represents years of discussion on how best to reform a welfare delivery system that does not challenge recipients to move towards self-sufficiency or challenge states to work with recipients and businesses to move families off of welfare and into the workforce.

Each of the undersigned Members has had specific concerns during this debate about this legislation. They have been addressed. Funding for child care has been increased, child support enforcement provisions have been strengthened, waste, fraud and abuse within the programs have been addressed, and most importantly, children affected by welfare have been cared for to the best of the Federal government's ability.

The Conference Report that was sent to you allows states the flexibility to design welfare systems that work according to the needs of their unique populations. And, as our Governor has communicated to you, New Jersey has designed a program, based on Federal block grants that will revolutionize the delivery of welfare in the State, and hopefully serve as a model to other states. The Governor's plan emphasizes work, child support enforcement, and important transitional services such as job training, education, health care and child care.

We urge you to enact this legislation and we strongly support her challenge to you to deliver on your promise to "end welfare as we know it."

Sincerely,

Fred Thompson (R-MS)

Zimmer (R-MS)

Bruce Reed / HHS / NP

J. Saxton

Saxton (R-NJ)

Bob Franks

Franks (E-NJ)

Bill Martini

Martini (E-NJ)

F.A. LoBiondo

LoBiondo (R-NJ)

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

MEMO TO: The Secretary
FROM: HSP/ASPE
SUBJECT: Work First New Jersey

WR - New Jersey

JAN 30 1996

*File***INTRODUCTION AND SUMMARY**

New Jersey Governor Christie Todd Whitman announced a new welfare reform plan yesterday as part of her budget proposal for the state. You asked for an analysis of the New Jersey welfare reform plan and the extent to which it could be implemented under current law with waivers. You also inquired about its relationship to the Administration's welfare plan and the vetoed Republican plan.

Although the Governor claimed that New Jersey's proposal is patterned after Republican proposals in the Congress, it appears to more closely resemble the President's welfare proposals -- it includes strong work requirements, increased child care and other work supports, more work incentives, and it maintains current benefit levels. Many of the details of the proposal have not been worked out by the state. Based on what we do know, we believe virtually all of the provisions could be implemented through waivers under current law, although they raise several policy issues (depending on the details which are not yet available) which need to be resolved. The proposal could also be fully implemented under the block grant of the vetoed welfare bill, although the state commitments to child care and maintaining current benefit levels could increase state costs substantially.

The New Jersey plan could be largely implemented under the Administration's new welfare proposal without as severe an impact on state costs as under the vetoed Republican bill. There is one possible constraint on their ability to implement under the Administration's proposal, and that is the five-year time limit. The Administration's plan requires a mandatory child voucher after reaching the time limit. The New Jersey plan does not include sufficient detail at this point about what happens after the time limit, whether any assistance is available, how the exemptions would be determined, and how the clock operates.

Governor Whitman also announced an extensive public process to gain input from the general public, advocates and recipients about the proposals. We also believe it is likely the Governor will want to meet with you and Assistant Secretary Mary Jo Bane before the plans are fully developed.

DESCRIPTION AND BRIEF ANALYSIS OF WORK FIRST NEW JERSEY**Goal**

- ▶ Reduce the welfare rolls by 15 percent within five years -- from 117,000 to 109,000 -- by forcing most recipients off the rolls after five years, while encouraging them to seek jobs

Recipient Responsibilities

- ▶ Limit benefits to five years; hardship exemptions (up to 15 percent of the cases) would be permitted and determined on a case-by-case basis
We have not granted a waiver with a lifetime time limit. However, we have granted waivers for time limits (usually two years) that incorporate good cause exceptions to the time limit. Details are not available about the hardship exemptions, how the clock actually works, the circumstances under which exceptions are granted, and whether any assistance is available after the time limit. Waiver discussions could revolve around these issues.
- ▶ Teen-age mothers 18 or younger would be required to live with a parent or under adult supervision and remain in school to remain eligible for benefits
Requiring teen mothers to live at home or in an adult-supervised setting is permitted under current law as a state option.
- ▶ Mothers would be required to establish paternity and obtain a child support court order as a condition of eligibility
This provision merely enforces current law; there is some question of who determines cooperation.
- ▶ Retains the family cap
Permitted as a waiver under current law.
- ▶ Whole family sanction for failure to cooperate with work requirements
New Jersey proposes that the initial sanction be a full family sanction. Generally, the Department has had a strong preference for approaches where the whole family is not cut off immediately for the first instance of noncompliance. The Administration's proposal includes a progressive full family sanction policy.
- ▶ Benefit reductions for work sanctions would not result in increased food stamps
This cannot be waived under current food stamp law, although the President has committed to this policy (though an Executive Order) which is currently in rulemaking.

State-Provided Benefits

- ▶ Permit recipients to keep 100 percent of earned income the first month of employment and 50 percent of their income without losing benefits until they exceed income eligibility requirements -- up to \$848 a month (up from the current limit of \$750)
Liberalization of earnings disregard is permitted as a waiver under current law.
- ▶ Provide transitional benefits for mothers leaving welfare rolls for work -- child-care benefits for one year, and Medicaid for two
One year of transitional child care is current law; two years of transitional Medicaid would require a waiver; similar waivers have been granted.

- ▶ Provide help to ease the transition to work: job counseling services; training; home visits; "coaches" to help negotiating conflicts between welfare beneficiaries and employers
Permitted under current law without a waiver
- ▶ Provide vouchers to participants to help them pay for transportation and to cover other work-related expenses
Permitted under current law without a waiver
- ▶ Increase the asset limit to \$2,000 in savings -- up from \$1,000 -- and still qualify for welfare
Liberalization of asset limit is permitted as a waiver under current law

Other Provisions

- ▶ Change the emphasis of state work programs away from providing job training and education programs aimed at obtaining jobs with competitive salaries and benefits in favor of training and placing recipients in lower-paying, entry-level positions that do not necessarily offer health benefits
Permitted under current law
- ▶ Require community service work if the recipient has not found a job after two years
Permitted as a waiver under current law
- ▶ Double the state investment in supporting work activities and child care; expand available day-care services
Permitted under current law
- ▶ Grant levels would remain unchanged at \$424 a month for a mother with two children
Permitted under current law
- ▶ Change the eligibility unit for assistance to the entire household; combines AFDC, EA and state general assistance programs
Changing the unit definition is permitted as a waiver under current law, although details on how this would be implemented in New Jersey are unavailable and need to be resolved. Under current law and both the Administration's and Congressional welfare proposals, no federal funding is available for families without children.
- ▶ Assumes fixed federal funding under a block grant with an opportunity for a rainy day fund from projected program successes
This could potentially be addressed through cost neutrality requirements, although such a policy has not been approved through waivers to date. State commitments to increase child care and work funding and maintain current benefit levels make this seem difficult for the state, particularly in a recession.

Survey disputes Florio claims on welfare births

By DONORA LARSEN

Study finds drop of 9%, not 16%, under state's reform experiment

Births among welfare mothers dropped 9 percent, not 16 percent as the Florio administration claimed—in the first two months of New Jersey's experimental law dropping educational benefits to women who have more children while on welfare.

That was the finding yesterday of the non-partisan Center for Law and Public Policy based in Washington, D.C.

In his haste to promulgate the welfare reform program, sponsored by Attorney General Bruce B. Berman (D-Conn.), a spokesman before he left office, former Gov. Jim Florio jumped the gun and prematurely announced a 16 percent drop in welfare births to the new law, according to the report titled, "No Jury in Still Out."

According to Mary Jagger with child design in reporting and reporting births largely explain why the 16 percent birth rate reduction initially reported by Florio and Berman had to be significantly revised in subsequent reports, "the report said.

Florio's promulgation of regulations were based on births to welfare mothers last August and September. The first two months welfare mothers were denied an average grant increase of between 50 and 60% if they had no additional child.

The center looked at data for those since two months, but five months later, the center's computer search up and the actual number of births rose. Some welfare mothers recently report births to welfare children, months after they began.

In effect, almost half of the drop in registrations likely exists as claimed by Gov. Florio and Berman in November had re-registered just three months later, as reported data became available, the report found.

Subsequent data show that the early promulgation of surveys were premature and exaggerated, the report found.

The 9 percent drop translates into 94 fewer births per month in a welfare population of 1,130,000 families and 380,000 recipients. With there were 34 fewer births, the report also found an average of 600 welfare cases decided additional benefits.

Consequently, the survey data that was allegedly provided, the state penalized five infants, who were born to welfare families by refusing to pay-

able them with any financial assistance," the report found.

Between August and January, more 1,800 babies born to welfare mothers were denied an average income of \$44, according to state officials.

During the first two months of the child reduction law, there were 3,674 births to welfare mothers, compared with 3,681 in the same two-month period a year earlier, an average reduction of just 64 births per month.

The report's authors say the state not oppose the child reduction provision as an experiment, but is opposed to the "wholesale jumping on the bandwagon" that other states are doing "based on premature observations of success after two months."

States rushing to reform welfare by enacting child reduction laws should exercise extreme caution in doing so based on the experience to date of New Jersey's Family Development Program," according to the report.

Maryland, Wisconsin and Ohio-

into are among the states disallowing enrollment of similar welfare law denying additional benefits to mothers who have additional children while on welfare.

The report's author, Richard Lacey, is a one-year leave from his job at the state Department of Human Services, where he served as director of policy, planning and program evaluation.

Much of his 17 years on the job there have been spent formulating and analyzing welfare policy.

The law is set out on every element of New Jersey's welfare reform program, called the Family Development Program, Lacey said.

Marion Batts, director of New Jersey's \$1.8 billion welfare system, said she agrees with Lacey that the figures were premature but November and the cause and effect is not yet proven and will not be until more extensive research is done.

Florio's claim of a 13 percent drop in births last August was based on births logged in the state computer as of September. The center took into account updated data about August births logged into the computer as late as October, November, December and January. By then, the birth rate among welfare recipients had only dropped 8.7 percent.

The Star-Jedger
(Reark, NJ)
Friday, March 11, 1984

WR -
N.J.

WR-
N.J.
Congress of the United States

House of Representatives

Washington, DC 20515-3201

228 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3201
(202) 225-3828

DISTRICT OFFICES:
3771 NICHOLSON HIGHWAY
SUITE 213
CENTERBACH, NY 11720
(516) 669-8787

BAGSHAW OFFICE BUILDING
437 EAST MAIN STREET
RIVERHEAD, NY 11901
(516) 727-2152

M E M O R A N D U M

TO: Bruce Reed, David Ellwood, Mary Jo Bayne, Co-chairs,
Welfare Reform Working Group
FROM: Congressman George Hochbrueckner
DATE: July 9, 1993
RE: Recommendation that Denise Coleman serve as a witness in
upcoming Welfare Reform Working Group hearings in New Jersey.

The purpose of this memo is to recommend that you include a friend and former constituent of mine, Denise Coleman, in the hearings you are planning in New Jersey later this summer. I believe she could be a major participant in the debate over how to reform our nation's welfare system. I know that Senator Bill Bradley has also expressed his desire to the Administration that Denise become involved in the welfare reform debate.

Currently Vice President at Fairleigh Dickinson University in Rutherford, New Jersey, Denise Coleman was once a welfare recipient living in substandard public housing. Due to a great deal of persistence and hard work, she was able to make the system work positively for herself and her child in a way that she believes it could work for all welfare recipients.

Denise brought herself out of her dependence on public assistance, completed bachelor's and master's degrees, and has since been very successful in the educational field and in her community. Denise's daughter, raised by a single parent in public housing, and having suffered the feelings of humiliation that often accompany poverty, has emerged from the welfare system a healthy, ambitious young woman. She is planning a career of assisting children who have been abandoned by a parent and who have limited options for their future.

Denise Coleman believes in the imposition of appropriate legislative and administrative guidelines and parameters to reform the public welfare system, accompanied by practical approaches that account for the human factors involved. She understands the cycle of dependency created by raising children in families that for generations have known nothing but welfare dependency. She is concerned about the lack of certain role models for children raised by single mothers in the Aid to Families with Dependent Children (AFDC) system, for whom the distorted message so often received is that crime does pay.

Additionally, Denise has first-hand experience in dealing with our nation's historically ineffective child support enforcement system. She knows how it feels to appear before a completely unsympathetic judge who is unwilling to enforce a delinquent father's legal obligations to his child and unable to see the connection between a father's failure to make child support payments and the resulting dependence of the mother and child on public assistance.

I am attaching a copy of Denise Coleman's resume, so that you will have more specific details on her background and experience. She has a great deal to offer the federal government as the welfare policy debate moves to the front burner. She is extremely bright and articulate, and is anxious to offer whatever assistance she can. I urge you to consider including Denise as an expert witness at your upcoming hearings in New Jersey and in any other arenas where she can be of assistance.

Thank you for your consideration. Please feel free to call me or Tom Downs, my administrative assistant, at 202-225-3826 should you wish to discuss this matter.

DENISE A. COLEMAN
2200 NORTH CENTRAL ROAD, APT. 5J
FORT LEE, NEW JERSEY 07024
(201)944-9096 HOME
(201)460-5140 OFFICE

PROFESSIONAL EXPERIENCE:

FAIRLEIGH DICKINSON UNIVERSITY, 223 Montross Avenue,
Rutherford, New Jersey 07070.
August 1991 - Present

VICE PRESIDENT FOR INSTITUTIONAL ADVANCEMENT: Responsible for the offices of Alumni Affairs, Development, Media Relations, Publications, Public Affairs, Cultural & Performing Arts and Telecommunications. In the first year of service in this position developed and began implementation of a comprehensive Alumni and Development Plan, increased private giving, planned and initiated a 50th Anniversary celebration and closed out the existing capital campaign. Responsible for implementing an image campaign, developing a Public Relations and Marketing plan and increasing visibility for the University.

NATIONAL ALLIANCE FOR RESEARCH ON SCHIZOPHRENIA AND DEPRESSION, 60 Cutter Mill Road, Suite 200, Great Neck, New York, 11021.
October 1989 - August 1991

EXECUTIVE DIRECTOR: Responsible for the operations and serve as chief development officer for this national mental illness research organization. Worked with members of the Board and volunteers across the country in planning and running several special event fundraisers and solicited funds from individuals, corporations and foundations. Have made numerous public appearances around the country and had systematic contacts with the media.

Work with a Scientific Council in the management and funding of grant applications. Planned and coordinated a major research symposium in Washington, D.C. which highlighted the work of twenty three scientists.

Denise A. Coleman
page 2

STATE UNIVERSITY OF NEW YORK AT STONY BROOK
STONY BROOK, NEW YORK 11794
October 1979 - October 1989

ASSOCIATE VICE PRESIDENT FOR UNIVERSITY AFFAIRS
January 1985 - October 1989

Responsible for the offices of Alumni Affairs, Annual Fund and Development. Serve as Executive Director for the Stony Brook Foundation. Responsible for initiating fundraising efforts to alumni, parents, foundations and corporations increasing annual revenues to \$5.3 million in 1988. Foundation assets have grown from \$2.5 million to over \$11 million during this time. Alumni participation increased 63% in 1987-88 over the previous year. Initiated efforts to work with faculty and administrators in the development and submission of proposals to foundations and corporations. Responsible to the Board of Directors for the management of the funds of the Foundation. Serve as liaison to the subsidiary corporation, Stony Brook Foundation Realty Inc.

DIRECTOR OF ALUMNI AFFAIRS AND ANNUAL FUND
August 1980 - January 1985

Responsible for communications and programming for the alumni of a major university. Serve as Executive Director of the Alumni Association, an independent corporation. Developed the first Annual Fund Drive including direct mail, phonathon and personal solicitation.

In addition to these responsibilities, from July 1983 to October 1984, I served, at the request of the university's President, in a vice presidential capacity for the five divisions of University Affairs: News Service, Publications, Conferences and Special Events, Public Affairs and Community Relations, and Alumni Affairs and Annual Fund. My performance resulted in my promotion to Associate Vice President.

ASSISTANT TO THE DIRECTOR FOR UNIVERSITY RELATIONS
October 1979 - August 1980

Assisted the Director in all aspects of public information, media relations, and community relations. Responsible for office management, budget and resource allocations and independent projects as necessary.

Denise A. Coleman
page 3

EXECUTIVE DIRECTOR, STUDENT POLITY ASSOCIATION
January 1979 - October 1980

Assisted the Student Government in areas of financial policy and investment decisions. Served as Custodial and Disbursement Agent to the state for the \$600,000 student activity budget. Oversight of outside auditing process.

SUFFOLK COUNTY DEPARTMENT OF MENTAL HEALTH, Suffolk County Sheriff's Office, Riverhead, New York
January 1978 - January 1979

Researched and developed a training program for Correction Officers on suicide prevention. The program, consisting of a training film and supplementary manual, is recognized by the American Medical Association and is required in many states for correctional officer training certification.

SAMPLE OF PROFESSIONAL AND RELATED ASSOCIATIONS AND HONORS:

Girl Scout Council of Bergen County, member 1991 - ; Women in Financial Development, member, 1991 - ; New England Alumni Trust, Board of Directors 1980-85, Chairwoman, 1984-85; Middle Atlantic District Two, Council for the Advancement and Support of Education, Secretary 1986-87, member 1980-1989, 1992 - present; President's Award for Excellence in Professional Service, State University of New York at Stony Brook, 1983; Outstanding Young Women of America, 1986; Distinguished Alumni Award, Department of Political Science, SUNY Stony Brook, 1989.

EDUCATIONAL EXPERIENCE:

A.A. General Studies, Suffolk Community College, Selden, New York, August 1975, Pi Alpha Sigma Honor Society.

B.A. Political Science, State University of New York at Stony Brook, Stony Brook, New York 11794, August 1977.

M.A. Public Affairs, State University of New York at Stony Brook, Stony Brook, New York 11794, August 1982.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

December 22 1995

Honorable Leon E. Panetta
White House Chief of Staff
The White House
Washington, D.C. 20500

Dear Leon:

The Personal Responsibility and Work Opportunity Act of 1995 -- Congress' welfare reform bill -- threatens to undermine the national nutrition safety net that has successfully promoted the nutrition and health of children and families. The national nutrition programs should not be included in welfare reform.

The Administration's Work and Responsibility Act, developed last year, specifically excluded the nutrition programs because their goals differ from those of Aid For Families with Dependent Children and because they represent the ultimate safety net for low income children and families. The national nutrition safety net protects millions of children, working families and elderly every day.

Throughout their history, these programs have produced significant and measurable positive nutrition outcomes among the children and families they serve. The programs work because of national nutrition, eligibility, and benefit standards; a funding structure that ensures the programs respond to changing needs caused by economic growth and recession; and Federal oversight, which helps ensure their integrity.

Congress' welfare reform bill will unravel the national nutrition safety net by fundamentally altering the structure of the school nutrition programs, creating an optional food stamp block grant, cutting nutrition benefits -- especially for children -- too deeply, and capping the food stamp program. The welfare reform bill hinders our ability to get food to people who need it and jeopardizes the health of the Nation.

The President has proposed \$23 billion in cuts for the nutrition programs in order to help balance the federal budget in seven years. These cuts were strategically designed to protect the national nutrition safety net. Further reductions or structural changes like those included in the Congress' welfare reform bill are not in the national interest.

Honorable Leon E. Panetta

2

I urge you to work with the Congress to remove the nutrition programs from welfare reform. The President's veto message should clearly state that undermining the national nutrition safety net is not welfare reform.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Glickman", written in a cursive style.

DAN GLICKMAN

Secretary

cc: Alice Rivlin
Ken Apfel
Bruce Reed ✓
Carol Rasco
Rahm Emanuel

Lori L. Rankin
Vice President

114 West Franklin Ave.
Pennington, NJ 08534

Phone (609) 730-1933
Fax (609) 730-1744

July 14, 1994

Mr. Bruce Reed,
Deputy Assistant to the President
For Domestic Policy
The White House
Washington, DC 20500

Dear Mr. Reed:

Thank you for taking time out of your busy schedule during a particularly busy week to have lunch with Senator Breaux, Tom and me. Both Tom and I were extremely pleased we had the chance to talk firsthand with the key policymakers in Washington on an issue that is very important to us -- welfare reform. I also took Tom over to the DLC/PPI to talk to a few people; they are a great group to work with.

As promised, I am following up on a couple of points we had talked about with additional information. The following are some of our thoughts regarding the current welfare initiative based on our experiences in New Jersey and elsewhere.

- 1. Perhaps the greatest challenge in welfare reform is retooling the social welfare complex from a public dependency model to a family self sufficiency model.** The social welfare complex (SWC), both public and private (and particularly professionals, clinicians and public employees), has the same vested interest in maintaining public dependency as the military/industrial complex has had in the past with the specter of war and foreign threats to our national security. The current package appears to skate this issue. A proposal that shifts resources, power, accountability, and financial incentives away from the traditional social welfare complex and to employers, community-based entities outside the SWC, and families themselves, would be much more consistent with a self sufficiency model.
- 2. Redefine the goal of welfare reform from "getting families off of welfare" to assisting families to join the taxpaying mainstream through social and economic self sufficiency.** To that end, several additions to the package could include:

- a. **Establish a locally adjusted National Family Self Sufficiency Index** that determines what package of job and benefits a family with a particular size and characteristics (dependents, etc.) would need to become economically and socially self sufficient and establish accountability and performance measures, incentives and penalties based on the achievement of family self sufficiency. We have done this in our welfare reform initiative in Camden County and it has proven to be very successful in keeping people from returning to welfare because their "career path" could not support their family's needs.
 - b. **Tie family self sufficiency to other federal initiatives and activities.** For example, encourage the Enterprise/Empowerment Zone activities to be tied to welfare reform initiatives so that individual/family responsibility can be accompanied with social and economic opportunity. For example, since health care is still a major growth industry in the U.S. and will likely remain one even after health care reform is initiated, provide HMO's and other health-related professions incentives like cashed out benefits, tax incentives, and job training funds to recruit, train, hire, and maintain welfare graduates in family sustaining careers as a growth/development strategy both for families and the economy.
3. **For parents with very young children, eliminate the exemption from the JOBS program and replace it with a requirement that builds on the concept of parenting as a form of work.** Research is pretty definitive about the relationship between good care and parenting in the first months of life and the healthy development and future success of that newborn throughout their life. If we hope to break the intergenerational nature of the welfare culture, responsible, informed, and effective parenting during pregnancy and in the first months and years of life, is the most important reform of all. Therefore, rather than exempting parents from their responsibilities at the most critical time in their children's life, we should require good parenting, meaning participation in and proof of, responsible parenting (immunization, nutrition, parenting classes, child safety, etc.) as a condition of the receipt of public assistance.

After spending much of his professional life "bucking the system" and designing social welfare programs that reward initiative and encourage less government dependency and bureaucracy, Tom is pleased to know that the Congress intends to seriously debate this issue in the near future. Personally, I am particularly pleased that the President has selected you to lead the charge. If there was ever an opportunity to really shake up the system, the time is now and I know you will take advantage of it.

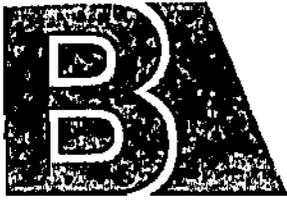
If there is anything we can do to help in your effort, please feel free to call. I have enclosed some additional materials on our work for your information. Finally, thank you again for meeting with us; it was a very special opportunity.

Sincerely,

A handwritten signature in cursive script that reads "Lori Rankin".

Lori Rankin,
Vice President

cc: Sen. John Breaux



**BLATNER
ASSOCIATES**

Professional Services in Public Affairs

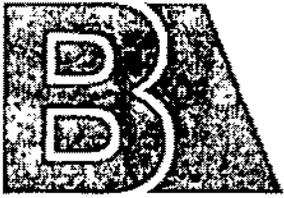
Blatner Associates is a management and consulting group. We provide advanced services and models for the management, design, and support of community economic development, human services, and the social needs of employees. Our work is grounded in innovative approaches which combine the special strengths of individuals, families, and communities with the resources of private enterprise, community-based nonprofit corporations, and government to better meet people's needs in their own environments.

At Blatner Associates, we don't dwell on theory. We know what it is like to work on the client end of the client-consultant relationship so we understand that expert advice is only a small part of what is needed. We provide hands-on planning, development, and implementation assistance to our clients. The people who comprise Blatner Associates are managers, direct service providers, organizers, financial analysts, communications experts, and researchers experienced in working with government agencies, political organizations, nonprofit community agencies, large corporations, grassroots organizations, academic institutions, and philanthropic organizations.

Every Blatner Associates project is a team effort. We bring diverse and extraordinary experience, credentials, and expertise to our client's challenges. We choose to serve only a small, select group of clients who share our values and vision. This enables us to provide the level of commitment that our clients, their programs, and their constituencies require and deserve.

**We are
prepared to
tackle big
problems.**

- Welfare reform
- Community organization & economic development
- Social needs of employees and public compliance requirements
- Addiction
- Aging
- Homelessness
- Developmental disabilities
- Mental health
- Young children, youth & families

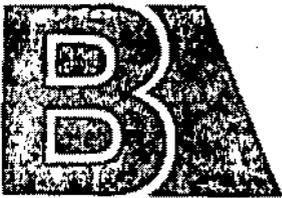


**Our model
has proven
effective in
a variety of
practical
settings.**

**A list of
services by
Blatner
Associates
includes:**

- Designing and helping to implement a comprehensive welfare reform system and community economic initiative for a large local governmental agency in one of the nation's poorest urban areas;
- Developing the first statewide child assault prevention and family preservation programs in child welfare;
- Managing a highly volatile, publicly visible crisis in a governmental senior citizen agency;
- Managing several large public agencies out of financial crisis;
- Pioneering comprehensive community support systems for children and adults with mental illness;
- Developing a strategic plan for a state-wide partnership of corporations and advocates interested in helping young children escape poverty;
- Designing and helping implement one of the largest addiction treatment programs in the country;
- Designing and implementing a comprehensive stress management program for a 3,500 employee organization.

- Policy & Planning
- Crisis Management
- Program Development Support
- Project Management
- Fiscal Management & Budget Strategies
- Fund Raising & Grant Development
- Capital Development
- Organizational Design & Development
- Human Resources Design & Development
- Statutory Compliance
- Research Evaluation & Quality Control
- Social Marketing
- Public Communications
- Community Relations



We commit to a challenge as if it were our own--because it is

We believe that effective efforts to address the daunting human problems of our times require a shift away from traditional crisis response and charity models of the past to affirmative, community oriented actions which emphasize the holistic relationship between human service needs and community economic and social development.

In contrast to conventional management consultants, think tanks and academic analysis, Blatner Associates directly participates in the hands-on resolution of clients' challenges. We follow through by playing a direct role in the implementation and management of that solution, and by defining and measuring qualitative and quantitative outcomes. Our decades of experience in government, the nonprofit sector, and private business enable us to define what best serves our client and use that information as the core of a comprehensive, operation specific solution.

Our Approach

Redefinition and Renewal

Any efforts to address the effects of society's inability to resolve the social crises of the past and to deal with the social challenges of the future will require fundamental redefinitions of the roles and responsibilities of government, employers, communities, and individuals.

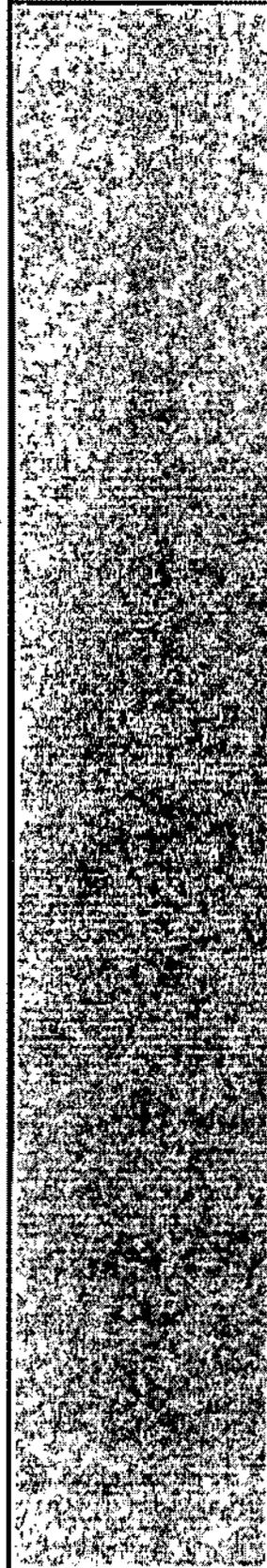
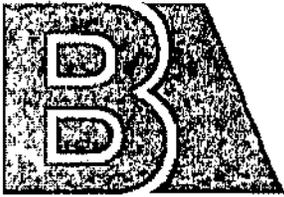
Government, Communities and Individuals

Government's role must shift away from centralized administration and delivery of services, to that of advocate and catalyst for defining policies and target populations in need, for allocating funding and resources, and for ensuring accountability and fairness.

Communities must help create and empower the locally based institutions that can supply needed services to their citizens. Individuals must be empowered and provided with meaningful and realistic options that will enable them to take control of their lives and make productive contributions to society.

The New Workplace Relationship

Employers are recognizing that the economic and statutory realities and social challenges of the 21st century will require redefinitions of employee-employer relationships, and corresponding redeterminations of what constitutes benefits, responsibilities, and remuneration. The difficult task of dealing with the complex and changing social needs of employees will become as central to worker productivity and job commitment as salary is today.



Stimulating Mutual Interests

We understand that successful initiatives must blend the economic, political, and cultural interests of those seeking to rise above poverty, those needing basic human services, and those needing support in the workplace with the interests of the human services sector, the business community, and the taxpaying citizenry. We understand that effective and sustainable resolutions require bringing together varied, often confrontational individuals, groups, and institutions to identify, define, and articulate their common interests. The creative pairing of mutual self-interests -- economic, social, political and cultural -- is essential to our approach.

Values, Goals & Leadership

The first step in addressing seemingly intractable problems is establishing a clearly defined and articulated set of values to be communicated, a clear understanding of qualitative and quantitative goals to be achieved, and a specification of the interests of the client to be met. These definitions must be clearly advocated by and tied to the leadership of each project -- be it a political official, a community leader or a corporate manager.

Holistic, Comprehensive Programs

Too often, approaches to difficult challenges offer only isolated, shortsighted, and narrowly defined alternatives. Yet, no challenge exists in a vacuum. The alternative we provide takes into account the complexity and uniqueness of the environment within which the problem exists and attempts to channel the resources of that environment into comprehensive, common sense solutions.

Communication, Awareness & Education

Our commitment to devise programs targeted to empowerment, self-sufficiency and the realization of mutual interests is predicated on the ability to learn from the communities we work with. The key to devising lasting solutions is the creation of direct, culturally sensitive, and enduring structures of communication between and among those communities and individuals.

Technical & Managerial Competence

The highest level of technical and managerial competence is essential, not only for gaining public and community support for any undertakings, but more importantly, for the ultimate success of a project. Whether through design and implementation of state-of-the-art management procedures and controls, advanced computer modelling, techniques of quantitative analysis, or hands-on management of agencies and programs, Blatner Associates insists on the highest standards of technical and administrative competence.

LORI L. RANKIN
49 1/2 North Union Street
Lambertville, NJ 08530
609-730-1933 (w)
609-397-3213 (h)

EDUCATION

Graduate:

Eagleton Institute of Politics
Rutgers University
New Brunswick, NJ

Degree: Master of Political Science, May, 1986.

Field of Study: Public Policy

Honors: Eagleton Fellowship

Undergraduate:

Kean College
Union, NJ

Degree: Bachelor of Arts, May, 1984

Field of Study: Political Science

Honors: Summa Cum Laude
Departmental Honors
Phi Kappa Phi National Honor Society
Pi Sigma Alpha National Political Science
Honor Society

EXPERIENCE

6/92- Present **Vice President**
Blatner Associates, Inc.
114 W. Franklin Ave.
Pennington, NJ 08534

Responsible for new business development, marketing, intergovernmental and public relations for this growing public affairs consulting firm specializing in health and human services. Since joining the company 2 years ago, accomplishments include:

- A complete revamping of the management and operations of the company resulting in major savings and efficiencies of service.
- Increased political awareness and participation.
- Increased new business development.

In addition to management responsibilities, I have been responsible for direct client services, including:

- Strategic planning for the Community Substance Abuse Prevention Program (CSAP) for Hudson County, NJ.
- Strategic planning for the Buffalo 2020 Project, a comprehensive community wellness program targeting a distressed neighborhood surrounding Buffalo General Hospital.
- Assisting nonprofit clients in the preparation of their IRS 501CR applications.
- Grantwriting and Fundraising.
- Reorganizing and implementing welfare reform activities in Hudson County, NJ.

8/89- 5/92 **Director of Communications**
Office of the County Executive
583 Newark Avenue
Jersey City, NJ 07302

Responsible for all media activities including preparation and dissemination of press releases, scheduling of press conferences and press coordination for special events. Chief spokesperson and speech writer including Inaugural Address, State of the County and legislative testimony. Liaison to Business Council, Labor Council and other community groups. At the request of the Chancellor of Higher Education, organized the membership of the Blue Ribbon Task Force, a high level statewide group comprised of a variety of interested parties, to Study the Future of the Hudson County Community College.

Coordinated internal campaign activity, including scheduling and press, for successful re-election campaign in 1991 and early activity of the County Executive in his role as Chairperson of New Jersey Clinton-Gore Campaign.

2/89 - 8-89 **Political Consultant**
Rifka Consulting Associates
99 Montgomery Street
Jersey City, NJ 07302

Managed successful New Jersey Legislative Campaigns for the 31st, 32nd and 33rd Districts including designing campaign material, direct mail strategies and fundraising. Planned, designed

and implemented direct mail operations for successful Hoboken Mayor's race.

9/87 - 2/89 **Assistant Press Secretary**
Congressman Jim Florio
208 White Horse Pike
Barrington, NJ

Responsible for all press relations in New Jersey. Chief spokesperson. Designed and operated radio actuality equipment. Handled press coordination for special events. Scheduled and coordinated appearances on television, radio and cable shows.

5/86 - 9/87 **Legislative Liaison**
NJ Department of Human Services
CN712
Trenton, NJ

Responsible for legislative activities relative to the policy activities of the Department's largest division, Medical Assistance and Health Services. The \$2.8 billion program budget included Medicaid, the Pharmaceutical Assistance to the Aged and Disabled and the Lifeline program.

5/84-9/85 **District Manager for NJ General Assembly Speaker Alan J. Karcher**
Sayreville, NJ

Managed the day-to-day activities of the legislative office including constituent services, district scheduling and community relations.

Activities

Co-Chairperson and Founder, New Jersey Democratic Leadership Council

Trustee, Board of Trustees, Lambertville Public Library

Advisory Board Member, Lambertville Education Foundation

Former Member, NJ Women's Political Caucus

Former Member, NJ Federation of Democratic Women

Former Member, Board of Directors Horizons Health Services

References Available Upon Request.

THOMAS BLATNER

P6/(b)(6)

(609) 730-1933 (O)

EDUCATION

Graduate: Woodrow Wilson School of Public and International Affairs
Princeton University

Degree: Master of Public Affairs, June 1972

Field of Study: Urban and Domestic Affairs

Specialty: Mental Retardation

Undergraduate: Colgate University, Hamilton, New York

Degree: Bachelor of Arts, May 1969

Field of Study: Political Science

Honors: Departmental Honors

Phi Beta Kappa

Cum Laude

EXPERIENCE

June 1988 - Present: President, Blatner Associates, Inc., a consulting company specializing in health and human services, community development, and welfare reform. Major projects have included:

- development and management of welfare reform in two New Jersey counties and two municipalities;
- development of community economic development strategies in Camden County and Buffalo, New York;
- preparation of Needs Assessments for victims of AIDS/HIV in Hudson County;
- preparation of Needs Assessments for senior citizens needs in Mercer and Hudson Counties;
- development and implementation of comprehensive Hudson County, N.J. Addiction Service Network and Community Prevention Strategy;
- preparation of a strategic plan for early intervention for high risk children for the

- Invest in Children movement, a public/private partnership in New Jersey;
- organizational review and restructuring of Suffolk County, N. Y., Department of Social Services;
- strategic planning for the restructuring of the Massachusetts Mental Health system around a privatized, decentralized, managed care model;
- development of the first privatized family managed care system in New Jersey for seriously emotionally disturbed adolescents;
- development of a strategic plan for Medicaid Managed Care for a Fortune 500 company;
- development of a start-up plan for the AIDS Coalition of Southern New Jersey.
- strategic planning and Needs Assessment for tri-county Early Intervention Collaborative.

November 1982 - August 1987: Director, Division of Youth and Family Services, New Jersey Department of Human Services. Responsible for directing all operations of the State social service and child welfare agency. Responsibilities include the provision of protective, family support, and preventive services to children, families, and vulnerable adults in the State. Responsible for \$240 million budget and line responsibility for 3,600 employees. Also includes supervision of state-wide planning, budgeting, financial services, and program evaluation. Primary activity in this position involved the redirecting of resources and personnel to a community based preventive model for services.

June 1981 to November 1982: Director, Office of Policy, Planning and Advocacy, New Jersey Department of Human Services. Responsible for establishment of new office which has responsibility for redesigning and restructuring the personnel and services of the Divisions of Mental Health, Mental Retardation, Medical Assistance Health Services, youth and Family Services, Public Welfare, Veterans Programs and Special Services, and Commission for the Blind and Visually Impaired into a single regionally administered generic human services system. Responsibilities include a personnel audit of the 21,000 employee Department of Human Services, planning and implementation of federal budget reductions, establishment of local planning process, establishment of integrated services programs and establishment of Department-wide client advocacy program.

April 1977 - June 1981: Deputy Director, Division of Mental Health and Hospitals, New Jersey Department of Human Services. Responsible for all operations of the Division of Mental Health and Hospitals including budgeting, personnel, direct supervision of all institutional and community services (adult, children and forensics), advocacy services, planning, program and programmatic reorganization of state mental health services in New Jersey. Responsible for \$110 million budget and line responsibility of a 4,000 employee division.

October 1975 - April 1977: Assistant Director, Division of Mental Health and Hospitals, New Jersey Department of Human Services. Responsible for planning, implementing, and

monitoring all community mental health and related social service programs in the state; responsible for oversight of Federal Community Mental Health Centers Program; reorganized Office of Community Services; supervision of a 30 person professional staff, management of \$40 million of program services.

June 1973 - October 1975: Assistant Director, Bureau of Alcoholism Services; New York City Department of Mental Health and Mental Retardation. Responsible for program planning/development of all publicly-funded alcoholism programs in New York City; supervision of three program analysts; management of a \$15 million program budget.

June 1972 - May 1973: Program Analyst, Bureau of Alcoholism Services, New York City Department of Mental Health and Mental Retardation Services. Responsible for program development and contract monitoring for eight city-funded alcoholism programs.

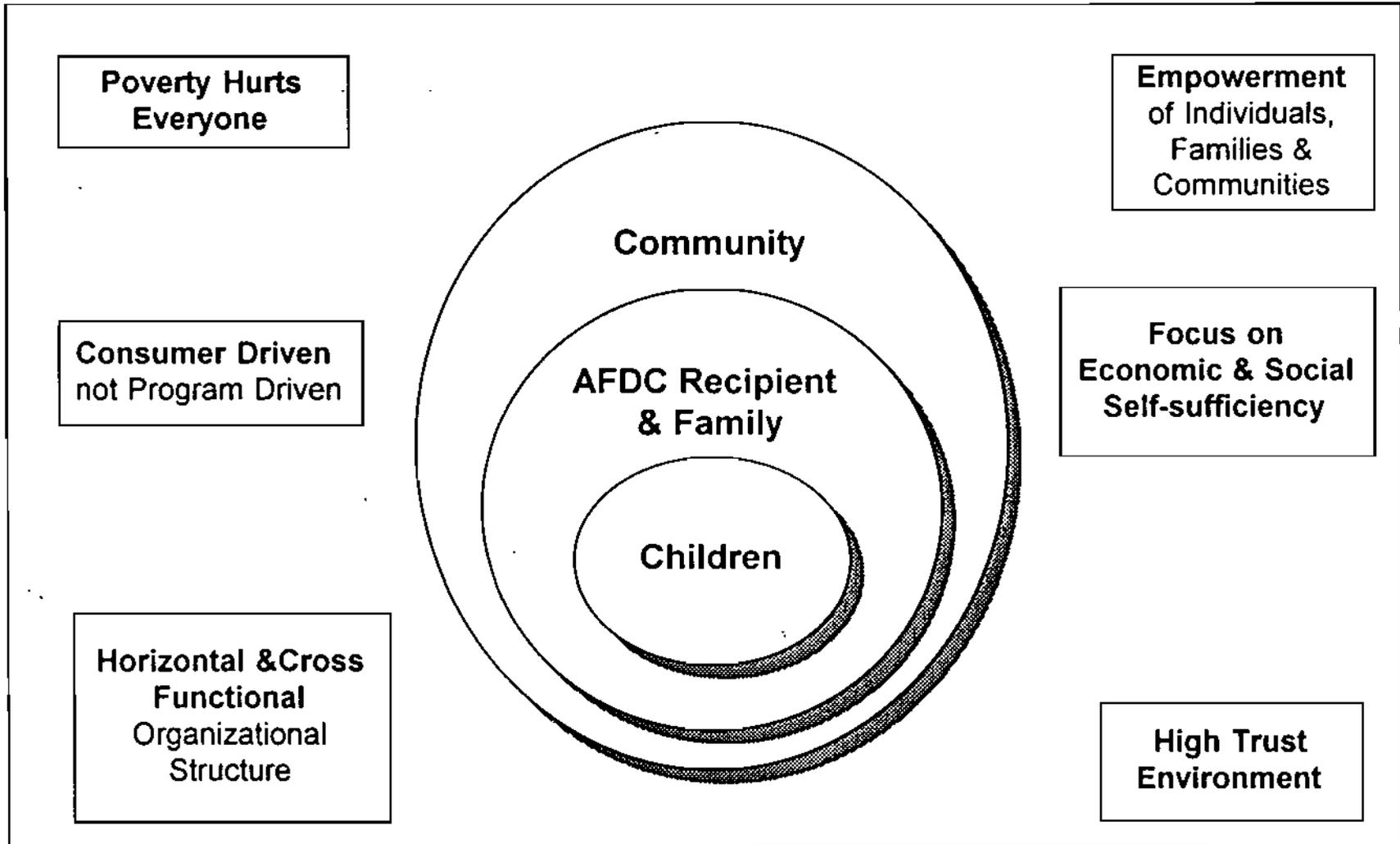
August 1969 - September 1970: Case Worker, Albany County, New York, Department of Social Services. Responsible for a caseload of 120 AFDC and Home Relief clients.

1967 - 1972 - Internships, Work Studies & Projects

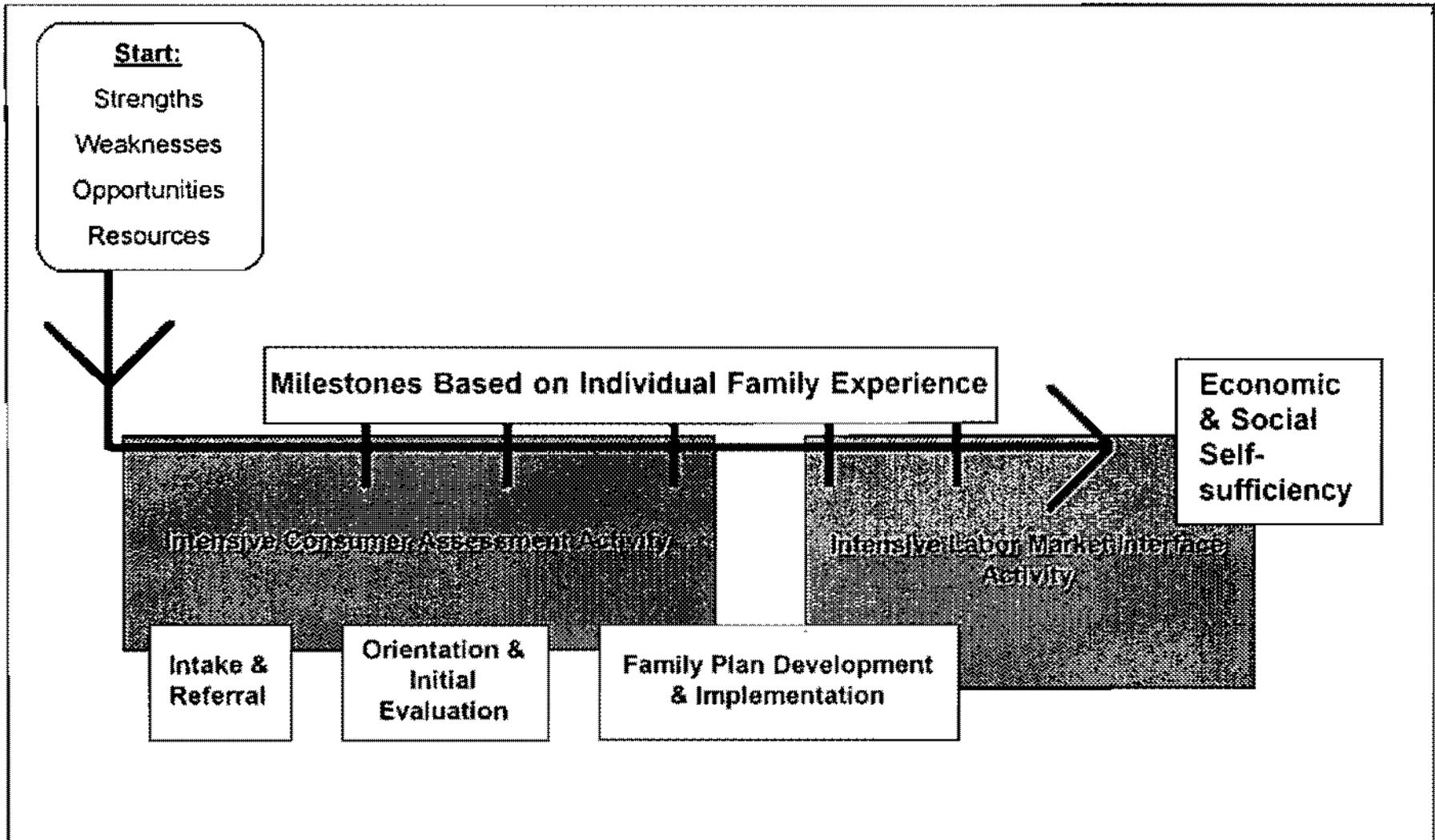
- Intern, Office of Community Development, Department of Housing and Urban Development, Washington, D.c.
- Community Advocate, Thamesmead Community Association. Thamesmead, London SEE, England
- Work-Study, Essex County Youth House, Newark, New Jersey.
- Analysis of Manpower Development of Trenton, New Jersey Policy Force.
- Analysis of Conditions at Willowbrook School for the Retarded, Staten Island, New York.

Camden County Family Development Program

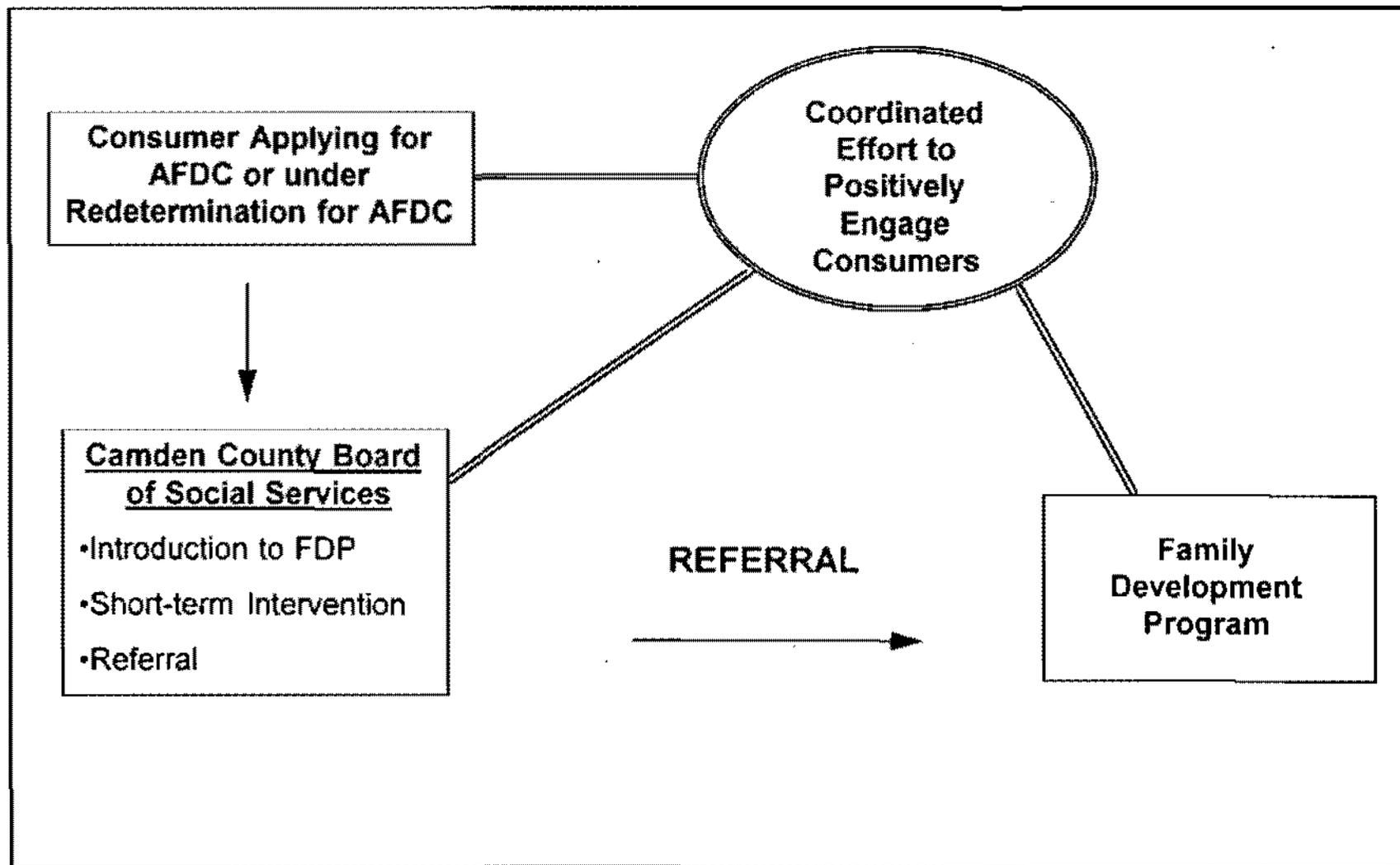
Family Development Program Values



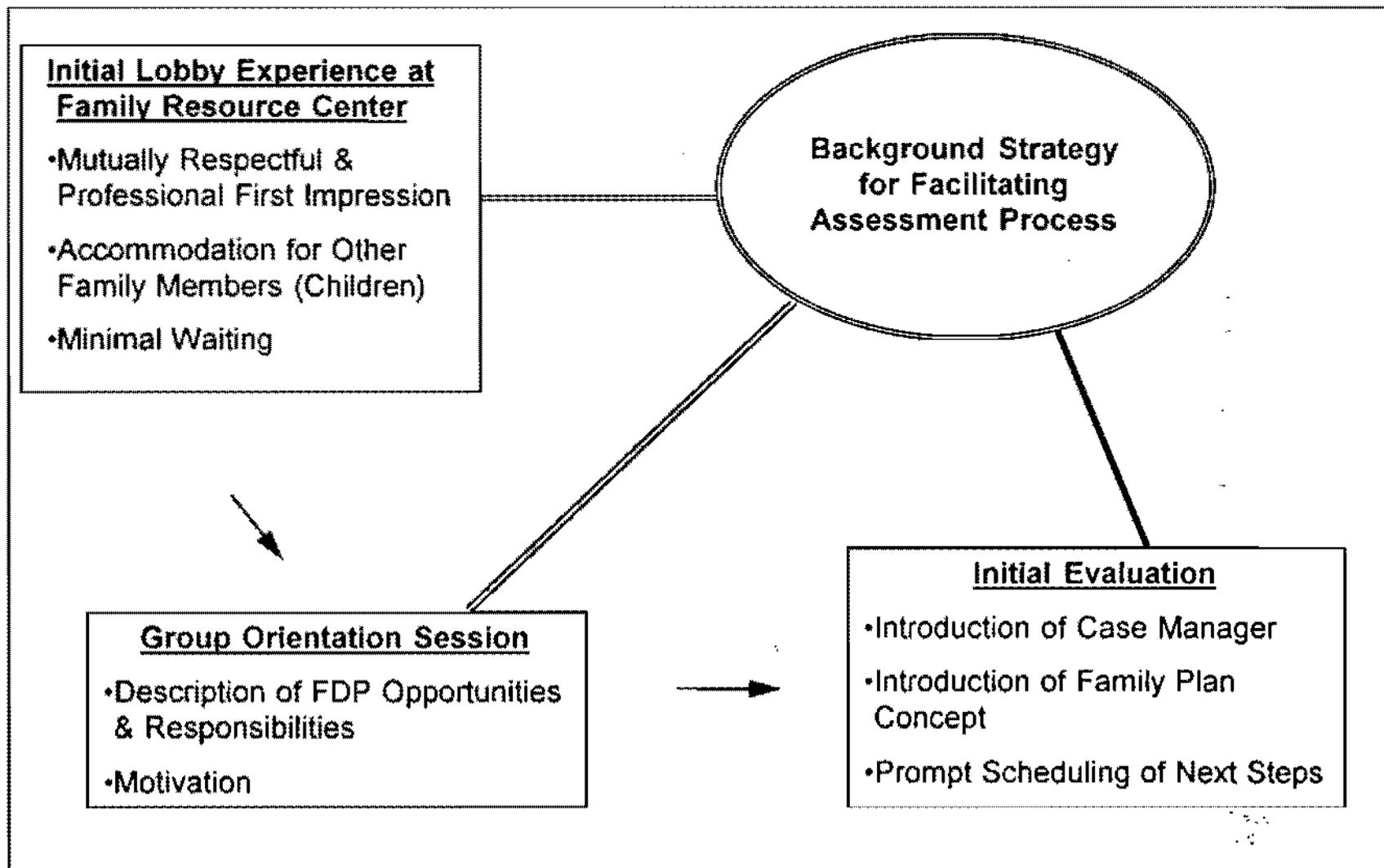
Family Development Program Approach



Family Development Program Intake and Referral



Family Development Program Orientation and Initial Evaluation



Family Development Program

Family Plan Development

Formal Assessment

- Consumer Interviews with Case Management Team: Case Manager, Child Care Counsellor, Education and Training Counsellor
- Primary Health Care Counselling
- Aptitude & Interest Testing
- Family Support Services Assessment

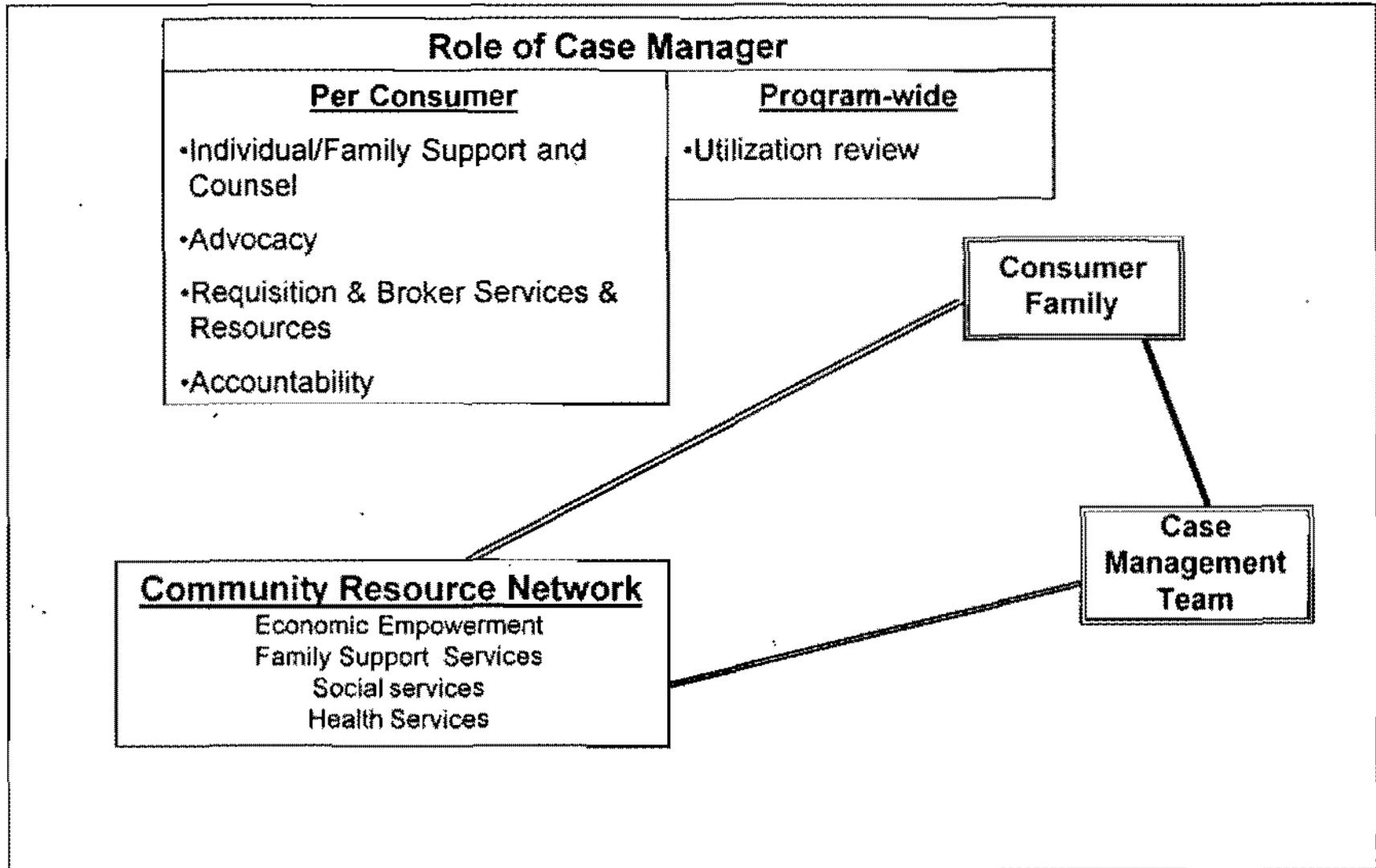
Plan Formulation

- Discussion of Testing & Assessment Findings
- Empowerment with Consumers
- Regularly Reviewed & Updated
- Support High Consumer Aspirations
- Creativity & Flexibility

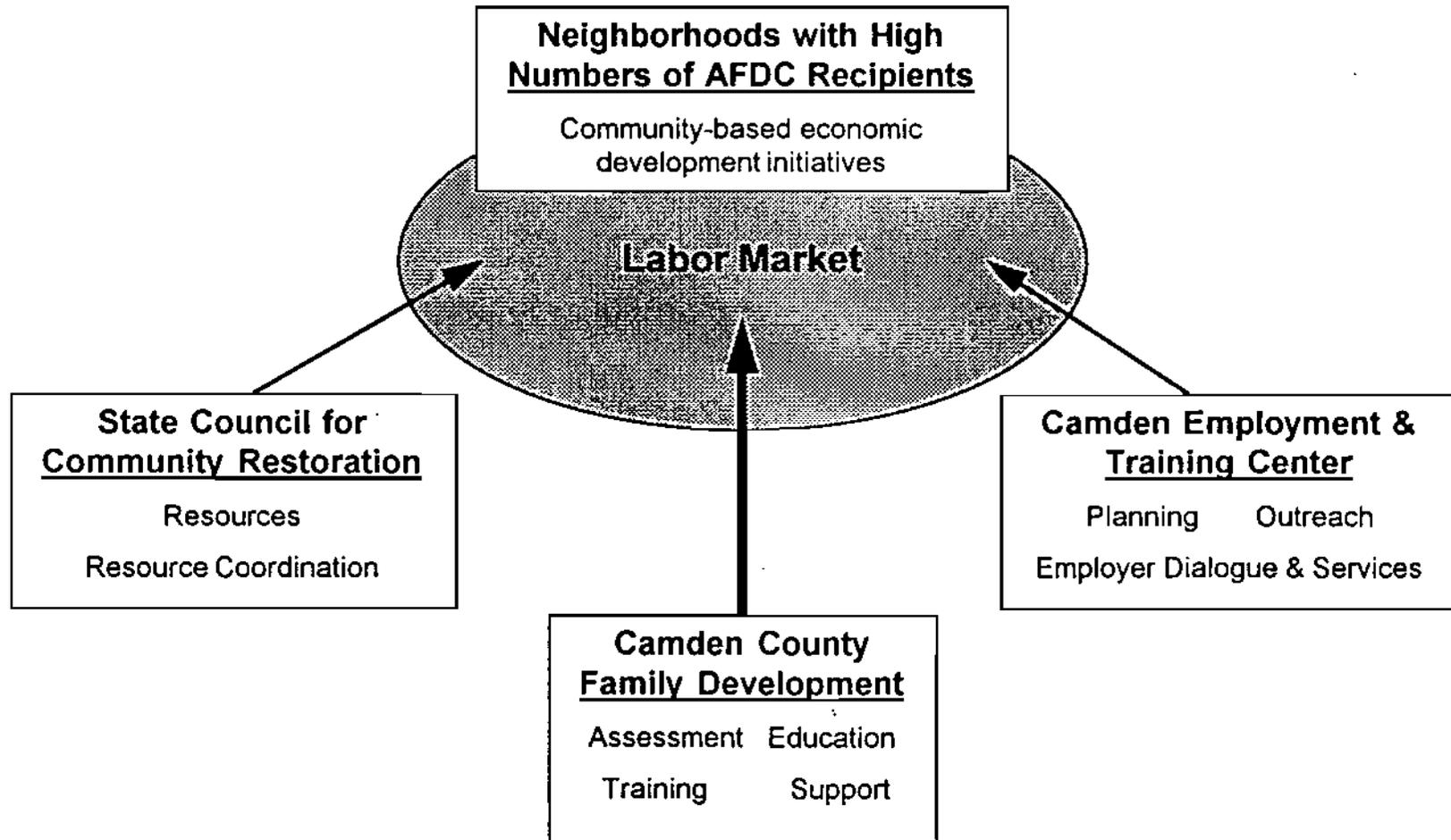
Substance of Plan

- Build on Individual, Family & Community Strengths
- Customized Menu of Services Based on each Family's Needs
- Action Plan with Measurable Goals Based on Each Family's Experience
- Mutual Obligation Based on Consumer Outcomes

Family Development Program Family Plan Implementation



Family Development Plan Community Restoration



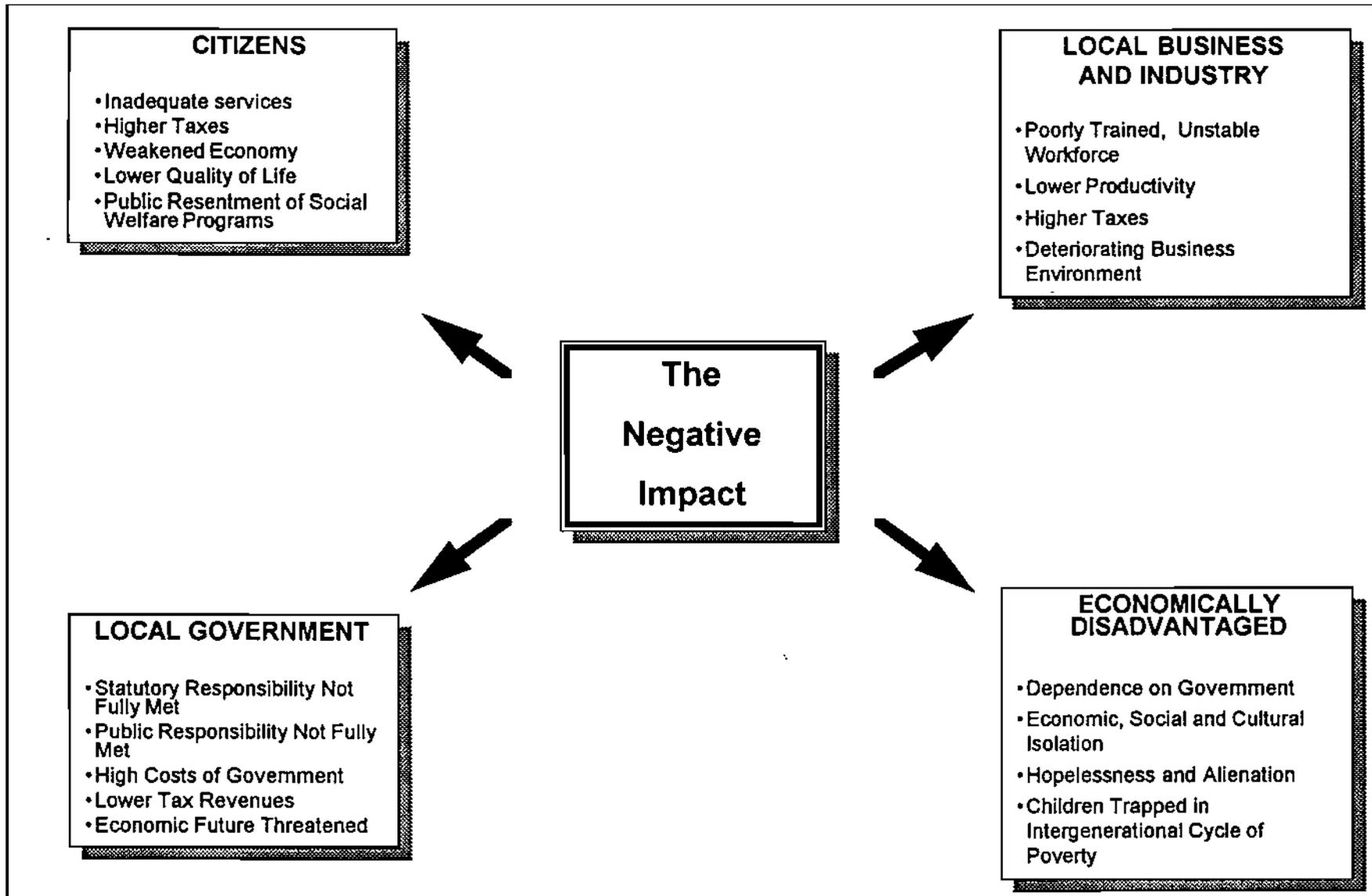
DRAFT

Buffalo 2020

A Community Wellness Campaign

Developed For The Buffalo General Hospital
by Blatner Associates, Inc.

Poverty Hurts Everyone



The Community Challenge

THE HEALTH CRISIS

- Infant Mortality
- Lead Poisoning
- Drug and Alcohol Addiction
- Shortened Lifespan
- Malnutrition
- Hypertension
- AIDS
- Other Sexually Transmitted Diseases
- Mental Illness
- Spiraling Costs
- Lack of Primary Care

MARGINAL HOUSING AND NEIGHBORHOODS

- Low Rate of Home Ownership
- Absentee Landlords
- Minimal Health and Code Enforcement
- Substandard Housing Units
- Rental Costs Above Market Value
- Inadequate Supply of Housing Units
- Unsafe Streets
- Drug Trafficking
- Lack of Stores and Essential Businesses
- Homelessness

FAMILIES IN CRISIS

- Adolescent Pregnancies
- Child Abuse and Neglect
- Mental Illness
- Male Unemployment
- Lack of Child Care
- Lack of Elder Care
- Juvenile Crime and Delinquency
- Domestic Violence

EDUCATIONAL FAILURES

- Lack of Basic Skills
- High Drop-out Rate
- Minimal Vocational Education
- Cultural Insensitivity
- Illiteracy
- Minimal Preparation for Adulthood
- Disparity Between Training and Job Market

ECONOMIC DISENFRANCHISEMENT

- Unemployment
- Absence of Financial Institutions
- Lack of Capital Investment
- Lack of Proprietary Ownership
- Minimal Economic Power
- Minimum Wage Jobs
- Lack of Coherent Community Development Strategy

GOVERNMENT DEPENDENCY

- Income Maintenance
- Health Coverage (Medicaid)
- Food Stamps
- Child Welfare

MINIMAL ACCESS TO TRANSPORTATION

- Poor Access to Public Services
- Inadequate Commercial Residential Links
- Lack of Personal Automobile Ownership Due to High costs

ECONOMIC AND CIVIC ISOLATION

- Urban-Suburban Tax Base/Tax Rate Confrontation
- Racial/Ethnic Confrontation
- Fragmented and Reduced Political Influence

A Climate of Disorganization, Powerlessness, and Hopelessness

Toward Community Health and Self-Sufficiency

HEALTH COALITION

- Community Health System
- Pre-Natal Care
- Drug and Alcohol Treatment and Prevention
- Immunization
- Primary Care
- Wellness Programs
- Long Term Care
- Special Needs Care

NEIGHBORHOOD AND HOUSING INITIATIVES

- Rehabilitation
- New Starts
- Tenant Ownership
- Urban Homesteading
- Lease to Purchase Program
- Innovative Ownership Financing
- Site Development
- Safe Streets/Community Policing
- Community Recreation
- Cultural Events

FAMILY RESOURCE NETWORK

- Colocated Neighborhood Services
- Child Care and Development
- Homemakers
- Parent Aides
- Adolescent Parent Program
- Family Counselling
- Youth Empowerment Programs
- Mental Health Services
- Companion Care

EDUCATION NETWORK

- Schools and Colleges
- Student Incentives
- Business Mentorship
- Literacy Movement
- Adult Training and Education
- Job Market-Directed Training
- Charter Schools

COMMUNITY ECONOMIC DEVELOPMENT

- Neighborhood Economic Development Corporations
- New Jobs
- Minority Business Development
- Small Business Development
- Minority Finance Corporation
- Business and Banking Leadership
- Business Incubator
- High-Tech Development Corridor

WELFARE REFORM

- Eligibility
- Case Management and Assessment
- Supportive Services
- Job Training and Employment
- Child Care

TRANSPORTATION IMPROVEMENTS

- Increased Access to Public Transportation
- City Routes
- New Schedules
- Residential Commercial Links
- Private Initiatives

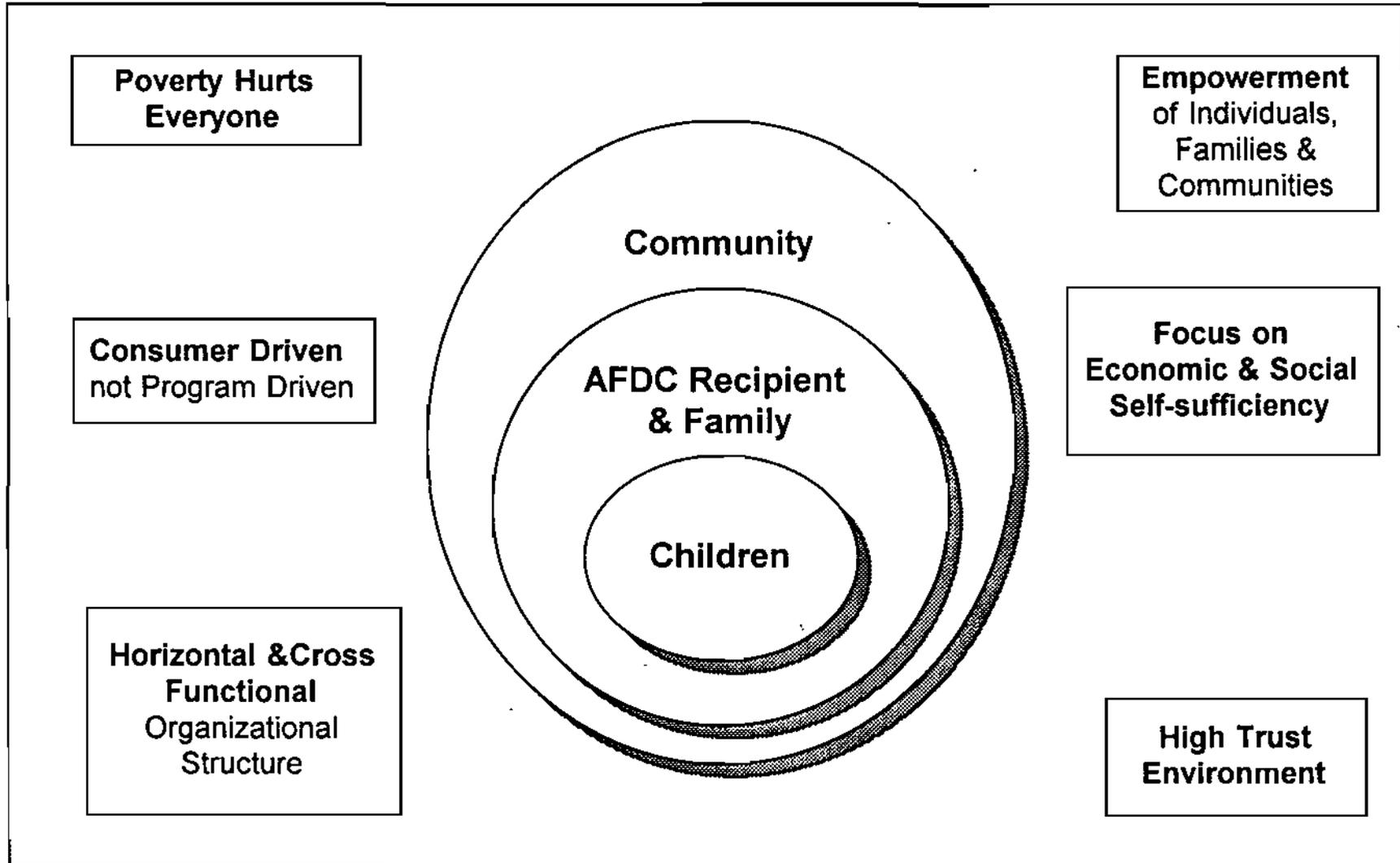
LEADERSHIP FOR ECONOMIC AND HUMAN INVESTMENT

- Leadership Development
- Incentives for New Business and Industry
- Creation of New Jobs
- Mutual Self-Interest
- Campaign for Human Relations

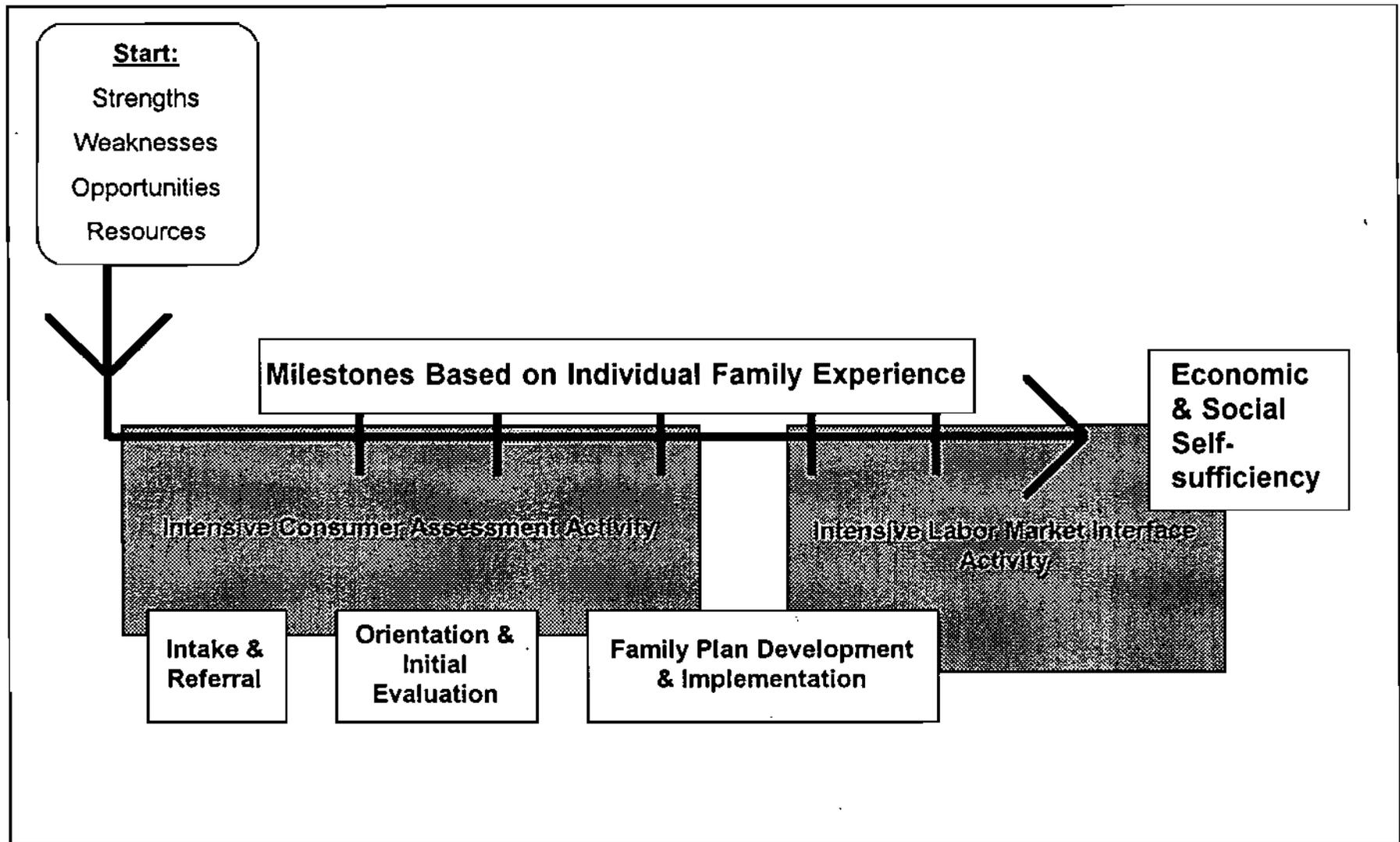
Keys to Answering the Challenge:

**Community Empowerment
Public and Private Investment
Collective Commitment**

Family Development Program Values



Family Development Program Approach



Family Development Program

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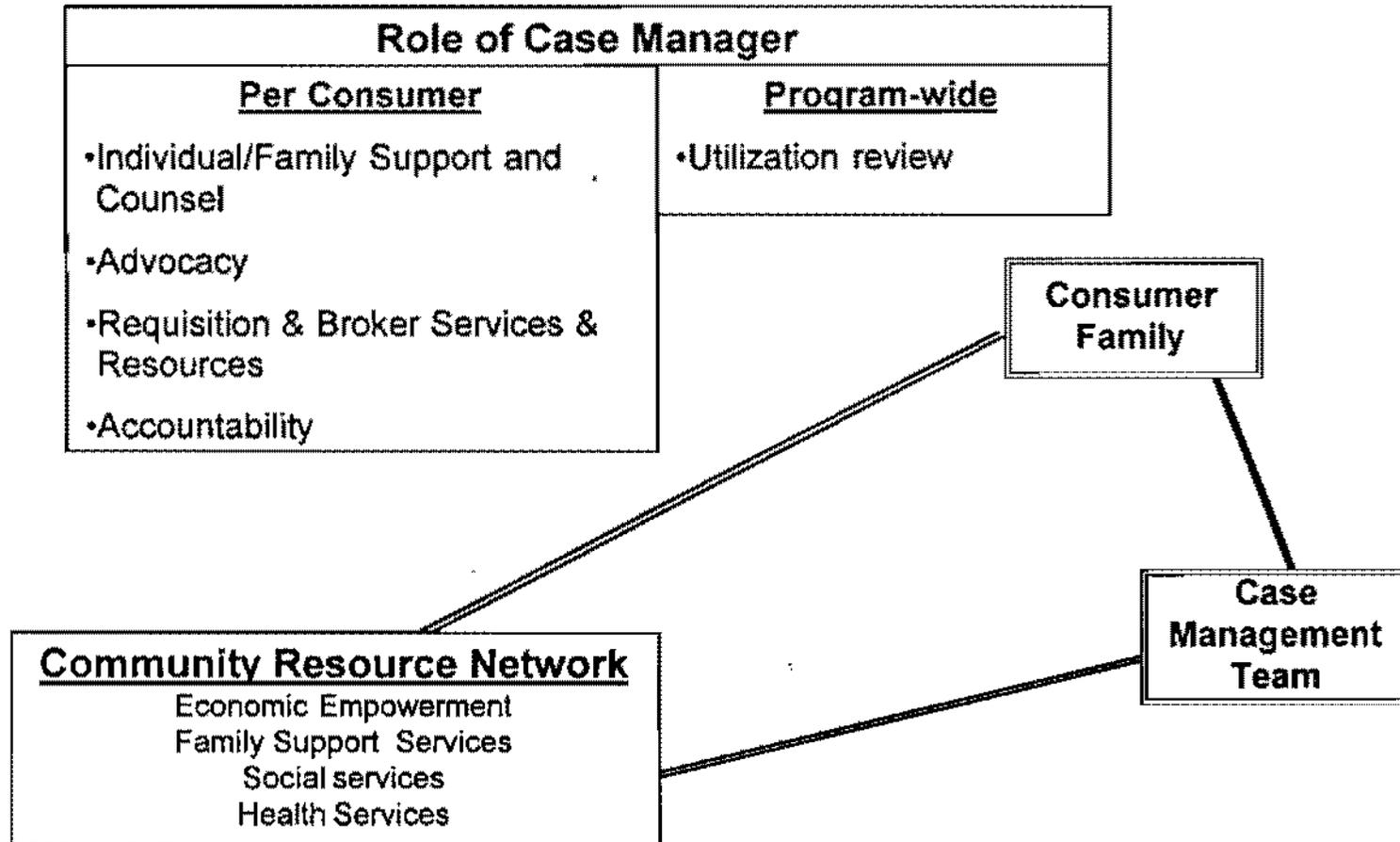
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Family Development Program Family Plan Implementation



Family Development Plan Community Restoration

