

OFFICE OF INTERGOVERNMENTAL AFFAIRS
DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 Independence Avenue, SW
Room 630F
Washington, DC 20201



F A X C O V E R S H E E T

DATE:

TO: Bruce Reed ⁴⁶⁶⁻⁵⁵⁵⁷
Jeremy Ben Ami
Emily Bronberg

PHONE:
FAX:

FROM: John Monahan
Director

PHONE: (202) 690-6060
FAX: (202) 690-5672

RE:

CC:

Number of pages including cover sheet:

Message:

Here is a Department-cleared version of talking points re: waivers. I hope you think this works. Please call as soon as you have a chance to read it.

WR. Waves

Draft Talking Points

State Welfare Waivers and the New Welfare Reform Legislation

- o We are moving ahead rapidly with the Congress and our state partners to implement the new welfare reform legislation and achieve our goals of moving families from welfare to work, promoting parental responsibility, and protecting children.
- o The new legislation provides states with broad new flexibility to design their own programs. It allows them to decide how they can best move families to work -- while containing clear requirements that they must move families from welfare to work.
- o We are working with the Congress to clarify statutory provisions which allow states to continue existing waivers that are "inconsistent" with the new statute. Because there is some ambiguity in the statutory language, the Administration and the Congress have agreed to a process under which states will include in their state plans a list of any waiver provisions that they believe are "inconsistent" with the statute and that they would like to continue.
- o This approach will allow the Administration, the Congress, and the states to make thoughtful decisions about how to interpret the ambiguous language, based on real examples of the policies that states would like to put in place.
- o The Administration does not expect states to use the waiver provision to circumvent the work requirements and time limits in the new welfare reform law and would oppose efforts by states designed to do so. We believe that work requirements and time limits are central to the new welfare reform law and will work with Congress to ensure their integrity.
- o **IF ASKED:** The Administration acknowledges the fact that HHS will not determine a state TANF plan to be incomplete on the grounds that it asserted the "inconsistency" provision in the areas of work requirements and the limits. *But say we would support Cong. efforts to prevent states from doing so.*

W.R. Waiver

ISSUES

1. Waivers

Guidance to states would require that states identify in their plans specific provisions of their demonstration that they believe are inconsistent with PRWORA. States would be told that they would not be allowed to operate programs that did not comply with the five year lifetime time limit or the work participation rates. States would be alerted that subsequent legislative or regulatory action might limit their flexibility in the future.

Note: This approach does not rule out subsequently determining that the demonstration is out of compliance with the spirit of the new law, but we would rule out applying penalties retroactively.

2. 45 day Notice

States would be required to provide the 45 day comment period required by the PRWORA following enactment of the new statute.

If permissible, funding should flow on a finding that the plan is otherwise complete. At a minimum, funding would be retroactive once the comment period is complete.

3. Guidance

Guidance to states would include a one page list of questions that must be answered for the plan to be complete. There would be no lengthy mandatory checklist, but additional guidance could be available on request by a state to help in the preparation of the state plan.

4. Domestic Violence

The President would issue a memorandum to the Secretary of HHS and the Attorney General that would direct them to (1) work with states to inform them of the options available to them in the treatment of battered women and to encourage states to take advantage of those options; (2) provide technical assistance to states in designing their programs and services for this population; and (3) provide funding for research into the linkage between domestic violence and welfare dependence.

Note: This would not provide a waiver of the 20 percent exemption.

5. Wisconsin Waiver

Box to Bruce

September 18, 1996

NOTE TO BRUCE REED:

Just wanted to touch base on the domestic violence front. From what I understand, Lynn Hogan drafted the attached memo, listing various options for the President regarding the Wellstone/Murray amendment. I wanted to make sure you'd seen this memo, and knew about the options still being discussed. As I've mentioned, I'm fine with the idea of giving guidance and technical support to states, as well as funding a study of domestic violence/welfare interaction at some point in the future, after the current fiscal year. But like you, I'm concerned about the penalty/participation rate exemptions still under consideration. Please give me a call if you'd like to discuss this further.

Thanks,

Melissa

Bruce. see p. 3, & call when
you can.

—thanks

September 13, 1996

MEMORANDUM FOR

FROM:

SUBJECT: Domestic Violence Initiative for Welfare Recipients

I. PURPOSE

Throughout the welfare reform debate, domestic violence activists and women's groups have raised serious concerns that battered women and victims of sexual assault could be penalized under the new welfare system. We feel it is important that the Administration take appropriate action to encourage the states to recognize the special circumstances that battered women often face. Additional resources or flexibility in meeting requirements under the new law would help recipients with a history of abuse successfully and safely move off of welfare and into the workforce.

In this memo we will outline several options for Administrative action that would encourage states to help battered women make the transition to work without weakening enforcement of the new welfare law. These options would also allow the President to underscore his longstanding commitment to fighting domestic violence.

II. BACKGROUND

As you know, domestic violence has a devastating impact on families and communities. For all women, including women on welfare, it often seriously undermines the self-sufficiency and independence of its victims. In addition to the profound mental and physical effects of domestic violence, abusers frequently interfere directly with their victims' efforts to pursue education and employment. This tendency could have serious implications for successful welfare-to-work initiatives if special efforts are not made to address it.

While there is no comprehensive or federal data that tracks the incidence of domestic violence among welfare recipients, there are some independent studies that show high levels of incidence:

- A recent study by the Taylor Institute estimates that 50 percent of women receiving AFDC are past or current victims of domestic abuse. Further, the study

reports that 50 percent of employed battered women lose at least three days of work a month due to domestic violence, that 70 percent report difficulty in job performance because of abuse, and up to three-quarters experienced on-the-job harassment from their abusers.

- An article in the Journal of the American Medical Association (figures to come)

In order to promote the safety and self-sufficiency of welfare recipients who are survivors of domestic violence, the new welfare law includes an important provision: the Family Violence Amendment (FVA). The FVA is a state option to increase services and to waive requirements in cases of domestic violence and sexual abuse. Specifically the FVA:

- Allows states to certify standards and procedures to screen for and identify domestic violence in their state plans.
- Invites states to provide increased services for battered women through their welfare programs, including: screening and confidentiality provisions, referrals to shelters, counseling, legal representation, and other important supportive services.
- Permits states to implement temporary and flexible "good cause waivers" of any program requirements, if complying with those requirements would make it harder for recipients to escape violence or where the requirements would unfairly penalize past, present, or potential victims of physical abuse or sexual violence. Such requirements include: mandatory participation rates, the two and five-year limits, child support cooperation, child exclusion, and residency.

The FVA originated as the Wellstone/Murray Amendment to the Senate version of the welfare bill as a requirement for states to provide these services and make necessary waivers, but was converted to a state option by the Conference Committee. While implementation of the Family Violence Amendment is an essential tool to help battered women and their families safely transition from welfare to work, it is currently an optional provision without any strong incentive for states to choose to implement the Amendment.

III. OPTIONS

OPTION 1: The President would direct the Secretary of Health and Human Services and the Attorney General to assist and encourage states to implement the Family Violence Amendment. The President would further direct the Secretary of Health and Human Services to commit to learn more about the linkages between welfare and domestic violence with a study. The components to the directive follow:

- 1) The President would direct the Attorney General and the Secretary of HHS to develop guidance to assist states with the implementation of the amendment. HHS and DOJ would

consult with victims services, women's advocates, law enforcement, medical professionals, and others involved in fighting domestic violence. The guidance, which would be non-binding, would address the following:

- The standards and procedures that should apply when screening for a history of domestic violence;
- The standards and procedures that should apply for determining what is good cause to waive the requirements of PRWORA.

2) The President would direct the Attorney General and the Secretary of HHS to provide states with technical assistance to develop standards and procedures to screen, identify and assist victims of domestic violence as part of the Temporary Assistance for Needy Families programs.

3) The President would direct the Secretary of Health and Human Services to provide discretionary funding to study the incidence of violence in the lives of welfare recipients; the impact of domestic violence on welfare program rules and requirements; and the best assessment, referral, and delivery models to improve safety and self-sufficiency for welfare recipients who are victims of domestic violence.

OPTION 2: The President would propose an HHS regulation on participation rates to provide a regulatory incentive for implementation of the FVA and would direct the Secretary of Health and Human Services and the Attorney General to assist and encourage states to implement the Family Violence Amendment. Further, the President would direct the Secretary of Health and Human Services to commit to learn more about the linkages between welfare and domestic violence with a study.

In addition to directives contained in Option 1, the President would direct the Secretary of Health and Human Services to:

1) Propose regulations providing the states that fall below the required participation rate will be found to have reasonable cause for failing to comply with the participation rate requirement and will not be penalized if the reason for the low rate is the number of domestic violence victims exempted from the work requirement and if the state has in place adequate programs to assist victims of domestic violence.

2) Propose any other regulations necessary to ensure, to the extent allowed by law, that the penalty structure under section 409 of the PRWORA does not operate inadvertently to discourage states from exercising their option under section 402 (a) (7) of the PRWORA (the Wellstone/Murray amendment) to screen, identify and assist victims of domestic violence.

OPTION 3: Highlight the FVA state option with a statement by the President, a letter to the states, and a commitment to a federal study. A description of these components follow:

- 1) The President would make a statement to the states encouraging them to implement the FVA, and to establish adequate programs to assist the victims of domestic violence.
- 2) Follow the President's statement with a letter from the President to the Governors challenging/encouraging them to take advantage of the Family Violence Amendment. The letter would outline the linkage between domestic violence and securing employment, and stress the importance of providing additional services and flexibility for women in those circumstances. The letter would further outline the kinds of services he is challenging them to increase and monitor; including screening, counseling, service referrals and support services.
- 3) Announce the study described above in Option 1.

IV. RECOMMENDATION

ISSUES

1. Waivers

Policy: Waivers may not be inconsistent with time limits and work requirements in the bill

Issue: What flexibility as to what counts as "work"

Min. wage?

2. 45 day Notice

- Options:
1. Governor can simply certify it's happened.
 2. State must have new 45 day public comment period after PRWORA but funds flow *legal authority?*
 3. State may count comment periods prior to PRWORA if no substantive elements of plan have changed

3. Checklist

- Options:
1. No checklist; no definition of complete
 2. 88 item checklist; nine pages of requirements
 3. 1 page - dozen key items

4. Domestic Violence

Review Options

WELFARE: Cuts in Food Stamp Dropped

Continued from A1.

confusion, politics and high stakes involved in the implementation of a landmark overhaul of the nation's welfare system in an election year.

"The state was far too aggressive in its ... approach to eliminating the food stamp program," said Los Angeles County Supervisor Gloria Molina, who contacted the White House about the issue early Thursday.

According to McCurry, Molina called White House Chief of Staff Leon Panetta, himself a possible Democratic candidate for governor of California in 1998. Panetta then spoke with Clinton during their bus trip through the Northwest. Clinton directed them to look into the matter to see what could be done.

Democrats privately suspected that Wilson's action was intended to embarrass President Clinton by dumping thousands of needy people on the streets of California weeks before the Nov. 5 election.

Many Democrats were angry that Clinton signed the welfare reform bill and, with that in mind, the president singled out the cuts for legal immigrants as a provision in the bill that he disliked and intended to change.

"I am deeply disappointed that the Congressional leadership insisted on attaching to this extraordinarily important bill a provision that will hurt legal immigrants in America, people who work hard for their families, pay taxes, serve in our military," Clinton said July 31 when he promised to sign the welfare reform bill.

Wilson officials countercharged

that Clinton is playing presidential politics with the legislation by not implementing the bill that he signed.

The welfare reform bill would cut many public benefits to legal immigrants while giving states the discretion to restore the programs at their own cost. Since the legislation was signed Aug. 22, however, the White House has delayed implementation of those cuts by granting waivers and exemptions to a number of states.

Federal officials say the delay is necessary to reorganize the bureaucracy to handle the changes required. They did not say how long the temporary funding for the

workers were left in the lurch and community advocates for the poor were dizzied by the changing directions.

Earlier this week, Wilson's office sent notices to all county welfare offices in California notifying them that, starting next week, they would have to begin implementing plans to cut off food stamps to legal immigrants.

The same message was relayed personally to county representatives Thursday in a meeting in the Capitol. State welfare officials also held a news conference Thursday afternoon to tell reporters about the pending cuts.

Wilson officials said the governor

whether or not to move forward with the cuts.

"I'm going to give it until over the weekend before we start taking action," said Lynn W. Bayer, director of the county's Department of Public Social Services. "On Monday, we'll see where we're at."

She added: "Right now it feels like we're in the eye of the storm."

State officials had planned to cut food stamps for legal immigrants as they arrived at county offices for their annual recertification of eligibility. The process meant that some recipients could be cut within a few days while others might continue to receive benefits until next summer.

The federal Department of Agriculture, which administers the food stamp program, and the state issued a paper trail of previous correspondence intended to demonstrate that they had been clear about the status of the food stamp program.

Wilson officials released letter from the USDA dated last week saying "legal noncitizens ... are ineligible for food stamp benefits." It added, "These provisions must be implemented no later than Sept. 22."

The USDA, meanwhile, in a letter written Thursday to the state Department of Social Services said "California will not be required to implement [the food stamp cutoff] ... until we provide further clarification."

Times staff writers Tina Daunt and Patrick McDonnell in Los Angeles contributed to this story.

While the finger-pointing continued Thursday, county social workers were left in the lurch and community advocates for the poor were dizzied by the changing directions.

program would continue.

But Wilson officials also questioned the waivers and exemptions, saying that they suspected political motivations.

"The Clinton Administration has needlessly confused hundreds of thousands of Californians," Wilson said in a statement. "This is either total incompetence on the part of the federal government or, more likely, political games being played out in an election year by the Clinton Administration."

While the finger-pointing continued Thursday, county social

did not see the letter from federal authorities until after 5 p.m.

"Everything we have now is so vague," said Angelo Doti, director of financial assistance for Orange County's Social Services Agency. "What we are hearing is word of mouth from the state."

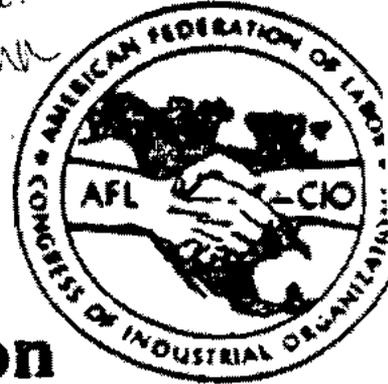
Doti said they expected to get clearer instructions from state officials by late Friday afternoon.

Los Angeles County officials said they heard rumors about the letter from the Department of Agriculture on Thursday afternoon, but were still awaiting official word on

2/12

AFL-CIO
815 Sixteenth Street, N. W.
Washington, D. C. 20006

cc Ken Apfel
Bruce Reed
Jeremy Benesmy
Dana Fortuna



Telecopier Transmission

Date: Sept. 16, 1996

To: Jen O'Connor

FAX Phone Number: 456-5820

From: MARC BALDWIN, ASSISTANT DIRECTOR, 202-637-5202

Department: PUBLIC POLICY

Comments:

FYI

There is/are 3 page(s) following this cover sheet.

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American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W.
Washington, D.C. 20006
(202) 637-5000

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September 15, 1996

John Monahan
Director of Intergovernmental Affairs
Department of Health and Human Services
Office of the Deputy Secretary
600 E HHH
200 Independence Avenue, SW
Washington, DC 20201

Dear Mr. Monahan:

Thank you for assembling a second briefing. I hope you find these as useful as we do. The following comments are to follow up on the points we raised on Friday. To facilitate your review, they are organized to match the sections of the draft guidance.

Goals, Results, and Public Involvement

As you know, we are very concerned that states will use every means possible to avoid public notice and input into their TANF plans. Frankly, this has already been our experience. We believe you have some useable control over this process through the legislative language regarding your certification of "complete" plans. We believe you can only assess "completeness" by knowing the comment period was genuine. This would include input from non-profit organizations and labor unions.

There are three critical aspects to your guidance regarding comment periods: (1) when the 45 day clock starts; (2) what constitutes making a plan "available" to the public, i.e., affirmative demands on states to distribute plans; and (3) who has to be consulted during drafting.

We believe, at minimum, the 45 period should not refer to any events prior to the date of enactment of the statute. States should be required to announce the start of the comment period to affected parties and to the general public. They should be asked when and how they made such an announcement regarding the comment period. Bear in mind, many of the people who would need access

to draft plans are low-income citizens who should have copies available. Finally, the comment period requirement should be explicitly linked to any proposed changes from current state practice.

In preparing these remarks, I had a conversation with the Center on Law and Social Policy regarding their preliminary thoughts on the 45 day period. When they have shared their final conclusions, we may want to provide further comments in light of their review.

Work and Self-Sufficiency

We have some specific language to suggest:

* "Labor" should be added to the list of organizations involved in the effort to provide work for clients.

* Add, "Describe the grievance procedure you will establish to enforce the nondisplacement provisions, including what entity will administer the grievance process."

* Add, "How will employers in the state be made aware of their responsibilities, including the nondisplacement requirements in the legislation?"

* Add, "What kinds of work activities will you offer? How will you define "work experience" and "community service" programs?"

Culture Change

As we mentioned, there is widespread concern that the new programs will be received with hostility from clients in many cases. This is likely to get worse, not better, as time goes by and people are excluded under the time limit provisions. It is important that state agencies be pressed to acknowledge this issue now, before their plans are in place.

* Add, "How will you minimize the possibility of violence in welfare offices if clients react to the new TANF rules?"] *

Administration

As mentioned under the Comment section, we believe the Department can make additional demands on state plans in order to certify a "complete" plan. Although we realize the limits on federal oversight under devolved programs, the identification of a "responsible" state partner carries some weight. We would like to suggest some additional language to expand your ability to certify the appropriate use of federal funds.

We pointed out a misleading reference in the paragraph on "Administration" which I want to remind you of. The reference to "public or private contractors" should be clarified by saying "public agencies or private contractors" since public entities may not be contractors.

* Add, "What agencies or organizations will deliver services? How will you ensure the programs fiscal integrity and accountability, at the various levels of administration and in any outside contractors?"

* Add, "How will the state agency or agencies administering and supervising the program integrate with private, charitable or other nonprofit organizations in providing and delivering services?"

I hope these comments are helpful in clarifying some of the general issues we raised. Finally, Mr. Storrs mentioned a handbook on culture change or a training packet on cultural change. I'd appreciate receiving some copies of this to distribute. It sounds like something the affiliates would find useful in their own training efforts around implementation.

Thanks again for your efforts so far.

Sincerely,



Marc Baldwin
Assistant Director
Employee Benefits

cc: Union Welfare Staff
Jennifer O'Connor
Gerry Shea

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WR-Waivers

Final Talking Points

State Welfare Waivers and the New Welfare Reform Legislation

- o We are moving ahead rapidly with the Congress and our state partners to implement the new welfare reform legislation and achieve our goals of moving families from welfare to work, promoting parental responsibility, and protecting children.
- o The new legislation provides states with broad new flexibility to design their own programs. It allows them to decide how they can best move families to work -- while containing clear requirements that they must move families from welfare to work.
- o We are working with the Congress to clarify statutory provisions which allow states to continue existing waivers that are "inconsistent" with the new statute. Because there is some ambiguity in the statutory language, the Administration and the Congress have agreed to a process under which states will include in their state plans a list of any waiver provisions that they believe are "inconsistent" with the statute and that they would like to continue.
- o This approach will allow the Administration, the Congress, and the states to make thoughtful decisions about how to interpret the ambiguous language, based on real examples of the policies that states would like to put in place.
- o The Administration does not expect states to use the waiver provision to circumvent the work requirements and time limits in the new welfare reform law and would oppose efforts by states designed to do so. We believe that work requirements and time limits are central to the new welfare reform law and will work with Congress to ensure their integrity.
- o IF ASKED: The Administration acknowledges the fact that HHS will not determine a state TANF plan to be incomplete on the grounds that it asserted the "inconsistency" provision in the areas of work requirements and the limits. If states do choose to use the "inconsistency" provision to circumvent work requirements and time limits, we will work with Congress to ensure the integrity of the welfare reform law.

Don Nickles

Who's the 'Fraud'?

The president granted the District the first welfare-reform waiver that moved needy citizens away from reform.

The Post has criticized my efforts to unveil and address the Clinton administration's double-standard welfare reform ["Welfare Fraud," editorial, Sept. 19]. While I was accused of committing fraud, the president's systematic attempts to thwart the objectives of Congress went unchallenged.

Let's check the record and set a few facts straight.

On Aug. 1 Congress, for the third time in two years, passed a comprehensive reform bill to overhaul our nation's welfare system. Subsequently, the president—after vetoing two previous bills and waffling about signing this one—finally decided to keep his campaign promise and "end welfare as we know it." But while he publicly posed as a welfare reformer, behind the scenes he moved to reinforce the status quo. In an act of bad faith, the president, on Aug. 19—just three days before signing the welfare reform bill—approved a 10-year welfare waiver for the District to allow the city to opt out of the bill's time limit on benefits and the work requirements for 10 years. Thus the District, unlike the rest of the nation, was granted the first welfare-reform waiver that moved needy citizens away from reform.

In a response to this back-room maneuver, I introduced legislation that simply required the District to comply with the five-year time limit on the receipt of benefits and prevented the secretary of Health and Human Services from approving any state's waivers of the five-year time limit. The legislation did not repeal the waiver, as repeatedly reported by The Post. It simply required the District, like every state, to participate in welfare reform.

Unfortunately, as often is the case when a Republican discusses welfare reform, my attempts to rein in the president's misuse of waiver authority was met quickly with suspicion and charges of political motivation.

What The Post has failed to recognize is that the District's waiver was not worth

Taking Exception

defending—it was the only one granted that did not impose time limits but rather escaped time limits. The Post continues to report that 30 states have time-limit exceptions in some way similar to the one granted the District ["GOP Asks Waiver for D.C. Welfare," news story, Sept. 19], implying that my efforts were targeted against the District. That is totally wrong. The 30 other states that have received time-limit waivers all impose time limits on welfare benefits. Most of these time limits are stricter and tougher than those in the bill the president signed.

The Post's editorial accused me and my legislation of treating the District different than the other states. The Post had the right accusation—it just had the wrong man. My bill would prohibit waivers of time limits for any state. President Clinton and his administration sought to single out the District from the rest of the nation. The Clinton administration tried to force on the District its failed welfare policies that the city council did not seek. By signing this waiver, the president used the District to make a political peace offering to liberal extremists who favor the status quo.

In his effort to placate Democratic dissatisfied with his signing of the welfare bill, Bill Clinton was willing to accede the city to another decade of welfare dependency and poverty. More than one-third of the District's children live in poverty. The percentage of the population receiving Aid to Families With Dependent Children (AFDC) is double the national average, and an astounding 99 percent of those AFDC recipients are single-parent families. The work participation rate of District welfare recipients is only 6 percent. I can certainly see why the president wanted to "save" the District from welfare reform.

Fortunately for the District's citizens, the president and his welfare promoters got tripped up in their zeal and on Sept. 19 had to revoke their waiver as hastily as it was approved. The technical reason for withdrawing the waiver was that the District government had not obtained the public input on its waiver proposal that the Department of Health and Human Services requires. Curiously, the two items that did not receive public comment—the time-limit and work requirements—never were part of the D.C. Council's legislation for welfare reform. In fact, D.C. Council member Linda Cropp, who chairs the committee on human services, stated that she was concerned the waiver would make the city a "welfare magnet," because nearby jurisdictions have tougher standards.

Welfare waivers are meant to test innovative approaches that serve the purpose of the underlying legislation. They are not meant to be used as a means by which the executive branch can conspire with others to undermine congressional action. The decision to revoke the waiver was the right one. It defied the spirit of the welfare reform bill and, more important, would have all but guaranteed a new generation of welfare dependents. Any continued efforts by the president to unravel this bill must not go unchallenged. His hypocrisy on welfare is unfair to the District, to working Americans who pay taxes to sustain the welfare system and most unfair to those trapped in a cycle of poverty perpetuated by our country's failed welfare system.

The writer, an Oklahoma Republican, is assistant Senate majority leader.

The Washington Post

FRIDAY, OCTOBER 4, 1996

WR -
Waivers

WR - Waivers

The administration believes that state welfare programs should be developed and operated in compliance with the five year time lifetime limit, the work participation rates, and the exemptions policy outlined in the legislation. States will be expected in their plans to indicate where they intend to continue operating their waivers in ways that are inconsistent with the act. The administration would be opposed to states operating inconsistent provisions in three areas, and we would expect Congressional action in this area should states attempt to do so.

MI WI

OH MA VT FL ME NH

DRAFT

Draft Talking Points

State Welfare Waivers and the New Welfare Reform Legislation

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- o This approach will allow the Administration, the Congress, and the states to make thoughtful decisions about how to interpret the ambiguous language, based on real examples of the policies that states would like to put in place.
- o We do not expect states to use this provision to gut the commitments to work requirements and time limits that are at the core of this legislation. We believe that these commitments are central to true welfare reform and will work with Congress to ensure their integrity.

HHS FACT SHEET

W. W. Waves

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

April 1996

Contact: ACF Press Office
(202) 401-9215

STATE WELFARE DEMONSTRATIONS

Don / Ann / Dan
↳ In updated

Under section 1115 of the Social Security Act, HHS is authorized to grant states waivers of current laws governing the AFDC and Medicaid programs. This authority is intended to give states the flexibility to demonstrate alternatives that better match their residents' needs.

To: Welfare Recipients

The Clinton administration is committed to supporting state flexibility and innovation in welfare programs. Under President Clinton, HHS has given more than two-thirds of the states the opportunity to test new welfare approaches -- granting waivers to more states than all previous administrations combined. In an average month, these welfare demonstrations will cover more than 10 million people, representing approximately 75 percent of all AFDC recipients.

Since January 1993, HHS has approved welfare demonstration projects in the following 37 states: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

Welfare reform demonstrations granted under President Clinton's leadership have begun the move toward a new welfare system. As President Clinton has said, "We won't have ended welfare as we know it until its central focus is to move people off welfare and into a job so that they can support themselves and their families." National reform, embodying the principles of work and responsibility and building on the successes of state demonstrations, will truly offer hope and opportunity for millions of families and children.

Under demonstrations approved by this administration, states are implementing projects with the following goals:

Making Work Pay

Thirty-four states are providing incentives to encourage families to move from welfare to work.

Many states have increased current resource limits and earnings disregards under AFDC to encourage individuals to work and save money so that they may achieve and maintain self-sufficiency. In fact, more states have increased the resources and earned income a family can keep than have implemented any other type of reform.

Recognizing the need for transitional support as individuals move from welfare to work, some states are also extending child care and/or Medicaid benefits to families after they leave the welfare rolls.

Other states have initiated programs to prevent individuals from going on welfare in the first place. These states provide, on a voluntary basis, a one-time payment in lieu of AFDC to meet a temporary need of assistance.

Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming

Improving Child Support Enforcement

Twenty states are strengthening child support enforcement, sending a clear message that both parents must be responsible for their children.

Under its child support enforcement program, this administration has required all states to establish hospital-based paternity programs and has substantially increased Federal spending on child support enforcement.

States are also experimenting with new strategies to ensure that both parents contribute to the economic well-being of their children. For example, several states are experimenting with "pass through" arrangements that allow families to collect a larger percentage of child support payments, thus increasing incentives to obtain and enforce court orders.

Arizona, Connecticut, Delaware, Georgia, Indiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, New York, North Carolina, North Dakota, Ohio, Oregon, Texas, Vermont, Virginia, Wisconsin

ARIZONA:

EMPOWER (Employing and Moving People Off Welfare and Encouraging Responsibility) establishes a time limit on adult AFDC benefits of 24 months in any 60-month period. Additional AFDC benefits will not be provided to families for children conceived while on AFDC or conceived within 12 months after leaving AFDC, if the family later reapplies for benefits.

Families can put aside \$100 a month in Individual Development Accounts, up to \$9000, for training and education. Transitional Child Care and Medicaid will be extended from 12 months as currently allowed to 24 months after leaving AFDC.

An additional three-year pilot project will operate in the Casa Grande, Eloy and Coolidge areas of Pinal County. The pilot will provide work experience by placing participants in subsidized jobs for 9 to 12 months, funded by AFDC grants and cashed-out food stamp allotments; months spent in a subsidized job will not count toward the time limit. All child support collections will be passed through to the family, without affecting eligibility.

Arizona's waiver was received on Aug. 3, 1994 and approved on May 22, 1995.

ARKANSAS:

Under Arkansas' demonstration, AFDC parents age 16 or younger will be required to attend school regularly or face reductions in benefits if they fail to do so. If appropriate, teen-age parents can meet the requirement by attending an alternative educational program.

In addition, Arkansas will implement a policy of not increasing AFDC benefits when additional children are born into a family receiving welfare. Family planning and group counseling services focusing on the responsibilities of parenthood will be included in the demonstration.

Arkansas' application was received on Jan. 14, 1993, and granted on April 5, 1994.

CALIFORNIA:

California's "Work Pays Demonstration Project" demonstration will encourage teen-age AFDC parents to regularly attend school by paying them a \$100 cash bonus for maintaining a C average, and \$500 for ultimately graduating from high school. Teen-age parents who fail to maintain a D average can have their AFDC payments reduced by up to \$50 a month for two months.

The demonstration will also permit AFDC families to accumulate \$2,000 in assets and have \$4,500 equity in a car. In addition, families will be able to deposit \$5,000 into savings so long as the funds are used to purchase a home, start a business or finance a child's post-secondary education or training.

The state's demonstration was further amended by withdrawing waiver authority granted in the original 1992 approval that would have allowed California to provide lower AFDC benefits to new residents of the state.

California's fifth waiver request was received on Aug. 26, 1994, and approved on Feb. 29, 1996.

COLORADO:

Colorado is initiating a "Personal Responsibility and Employment Program" which includes a number of major revisions to the state's AFDC program. The demonstration will operate in five counties. Under the demonstration, parents who are able to work or able to participate in a training program must do so after receiving AFDC benefits for two years. Individuals who refuse to perform the assignments can face a loss of AFDC benefits.

Additionally, the demonstration will "cash out" Food Stamps for participants, meaning that the value of the coupons will be added to the monthly AFDC payment. Participants will be encouraged to work through a new formula which will enable families to keep more of the money they earn. Asset levels and rules pertaining to ownership of an automobile will also be changed so that participants will be permitted to own a car regardless of its value or their equity in it.

Finally, the demonstration provides for payment of financial bonuses when participants stay in school and graduate from a secondary (high school) or GED program, and permits financial penalties to be assessed when parents fail to have their children immunized.

Colorado's waiver request was received on June 30, 1993, and granted on Jan. 13, 1994.

CONNECTICUT:

Connecticut's "A Fair Chance" initiative is designed to increase supports, incentives, and work expectations for AFDC recipients. It has two components, Pathways and Family Strength.

Pathways requires AFDC recipients to work a minimum of 15 hours a week after two years of AFDC, 25 hours a week after three years, and 35 hours a week after four years. Pathways will also help families leaving welfare increase their incomes by paying the difference between the non-custodial parent's child support payments and a state-established minimum. Family Strength provisions raise the resource limit for AFDC eligibility from \$1000 to \$3000 and extend transitional child care and medical benefits an additional year, to a total of two years.

Family Strength will be implemented statewide and Pathways will be implemented in the New Haven and Manchester areas.

Connecticut's application was received on Dec. 30, 1993, and approved on Aug. 29, 1994.

Individuals who exhaust their transitional AFDC benefits but are unable to find employment will be guaranteed the opportunity to work at a job paying more than their AFDC grant. The demonstration also provides a longer period of eligibility -- 36 months in any six-year period -- for families at a high-risk of becoming welfare dependent.

Medicaid and child care benefits will be available in the demonstration. Local community boards will play a large role in overseeing the program.

Other elements of the demonstration include an increase in the earnings disregard formula and asset ceilings, as well as a statewide requirement that AFDC parents must ensure that their children have been immunized.

Florida's waiver request was received on Sept. 21, 1993, and granted on Jan. 27, 1994.

Florida's first demonstration implemented a "Family Transition Program" for AFDC recipients in Escambia and Alachua Counties. The "Family Transition Program Expansion," which extends the project to six additional counties, was the first to be reviewed under a "fast track" 30-day period. Counties eligible for participation are Lee, Duval, Pinellas, St. Lucie, Orange, and Volusia Counties. It will operate for eight years.

Florida's second waiver request was received on August 2, 1995, and granted on September 6, 1995.

GEORGIA:

Georgia is initiating the "Personal Accountability and Responsibility Project" (PAR) which strengthens federal work requirements that must be met in order to receive cash benefits. Georgia's welfare agency will now be able to exclude from an AFDC grant any able-bodied recipient between the age of 18 to 60 who has no children under the age of 14 and who willfully refuses to work or who leaves employment without good cause. The rest of the family will continue to be eligible for AFDC benefits.

The plan will also allow the state to deny additional cash benefits for additional children born after a family has been on welfare for at least two years if the child was conceived while the family was on welfare. However, PAR would allow recipients to "learn back" the denied benefits through the receipt of child support payments or earnings.

Georgia's second project has two components. Under Work for Welfare, in effect in ten counties, adults who have received AFDC payments for 24 of the previous 36 months are required to work up to 20 hours per month at an assigned job in local, state or Federal government, or at a non-profit agency. If work is not available, time may be spent in job search. Courts may order non-custodial parents who are delinquent in child support payments to also take part.

two years. New applicants with children 5-12 years of age must participate in job search and employment and will be assigned to community service if they have not found a job by the end of six months.

Under this second project, all recipients must develop a Self Sufficiency Plan for moving from welfare to independence as a condition of eligibility. There will be no increased benefits for the birth of children conceived while receiving AFDC.

A third project, School Attendance, operates in areas that have contracted with social service providers to provide assistance to families with truant children. Recipients must cooperate with efforts to improve school attendance or face fiscal sanctions.

The second and third waiver requests were received July 18, 1995 and approved October 2, 1995.

INDIANA:

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

For all recipients who become employed, earnings will be disregarded in determining Food Stamp benefits for the first six months. There will be increased sanctions for quitting a job or for failure to comply with program requirements. There will also be fewer exemptions from current JOBS participation requirements. Another provision will extend subsidies to employers who hire welfare recipients for a maximum of 24 months.

A family benefit cap provision will disallow additional AFDC benefits for children conceived while on AFDC although the child will be eligible for Medicaid. Children will be required to attend school and be immunized. IMPACT will operate for seven years.

Indiana's request was received June 21, 1994, and granted Dec. 15, 1994.

IOWA:

Iowa is implementing a reform plan that will encourage AFDC and Food Stamp recipients to take jobs and accumulate assets through a program of "Individual Development Accounts." Funds deposited in an account can only be withdrawn to pay for education, training, home ownership, business start-up or family emergencies. The current law which limits each family's assets to \$1,000 will be changed to allow each applicant to have up to \$2,000 in assets and each AFDC family to possess up to

Statewide, FIP eliminates automatic benefit increases for additional children conceived while receiving AFDC. The family can retain child support payments for the additional child, however, and the State will issue voucher payments for the purchase of goods for the child, up to the amount of increase the family would otherwise receive. Unmarried minor parents must reside with a parent or guardian and must attend family health and parenting classes.

Maryland's application was received March 1, 1994, amended in May, 1995, and approved August 14, 1995.

MASSACHUSETTS:

"Welfare Reform '95" provides jobs for recipients who cannot find work by combining AFDC and cashed-out Food Stamp benefits to be used for up to 12 months to subsidize private sector jobs. Employers will contribute to Individual Asset Accounts that will help recipients transition to non-subsidized employment. Earned income disregards and resource limitations will be increased, and transitional Medicaid benefits will be extended.

Teen parents without high school diplomas must attend school, and must generally live with their parents. There are sanctions for parents who do not ensure that their children attend school or receive appropriate immunizations. There are no increases in AFDC benefits for additional children. There are stricter requirements for paternity establishment and child support, and sanctions for non-compliance.

Massachusetts' request was received April 3, 1995 and approved August 4, 1995.

MICHIGAN:

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

The demonstration also requires that pre-school-age children be immunized and disregards the value of one vehicle in determining eligibility. Additionally, in two counties, Michigan will evaluate mediation services to determine if this increases compliance with child support. The demonstration will extend previously approved waivers until October 1999.

Michigan's request was received March 8, 1994, and granted Oct. 5, 1994.

The application for Mississippi's second project was received Feb. 17, 1995, and approved on Sept. 1, 1995.

A third project, an amendment to Mississippi's Work First component of the New Direction Demonstration Project encourages more welfare recipients to move from welfare to work by making families who are on AFDC less than 3 months eligible for transitional Medicaid and child care. Also, the state will sanction recipients who are exempt from participating in JOBS, such as a mother with a child under 3, who volunteer for JOBS and then drop out of the program without good cause.

Mississippi's third project was received on November 20, 1995 and approved February 5, 1996.

MISSOURI:

"Missouri Families - Mutual Responsibility Plan" requires AFDC recipients to sign and fulfill a self-sufficiency agreement that establishes a plan for work and places a two-year time limit on benefits. An additional two years may be allowed, if necessary, to achieve self-sufficiency.

Individuals who are not self-sufficient by the end of the time limit must participate in job search or work experience programs. Those who have received AFDC benefits for 36 months or more and have completed their agreement by leaving AFDC will not be eligible for further benefits, with certain good cause exceptions. Children's benefits will not be affected.

Minor parents must live with their parents or guardians to receive benefits. If they attend school full-time and work, they may keep all employment income. In some counties, non-custodial parents who volunteer for the state's JOBS program can receive credit against past-due child support.

For two-parent families with at least one parent under 21, the limit will be waived on the number of hours the principal wage earner can work. The resource limits will be increased for all families, and they may own one automobile, without regard to its value.

Missouri's application was received in two parts, on Aug. 15, 1994, and Jan. 30, 1995, and was approved on April 18, 1995.

MONTANA:

Montana's "Families Achieving Independence" has three components: the Job Supplement program, AFDC Pathways program, and Community Services program.

The Job Supplement program helps at-risk families avoid becoming welfare dependent by providing a one-time payment of as much as three times the monthly AFDC payment the family would otherwise be eligible to receive. Child support collections will also be passed directly on to the custodial parent.

NEW YORK:

New York's "A Jobs First Strategy" gives applicants alternatives to welfare, provides new incentives for recipients to find work and create businesses, and encourages the formation and preservation of two-parent families.

The demonstration allows applicants otherwise eligible for Aid to Families with Dependent Children the option to receive child care or JOBS Training program services in place of AFDC. The program will also provide one-time cash assistance or other services necessary to remedy a temporary emergency which has resulted, or may result, in job loss or impoverishment.

The demonstration allows children in AFDC families to receive AFDC for up to two years after a caretaker parent marries and the new spouse's income makes the family ineligible, so long as the household's income does not exceed 150 percent of the federal poverty guidelines. It extends to a full year transitional child care benefits for employed recipients who leave the rolls because of child support payments.

In addition, clients are encouraged to develop their own business enterprises by excluding certain business income and resources, including vehicles.

The demonstration will be implemented in six sites in four counties (Broome, Onondaga, Erie and up to three sites in Brooklyn), and will operate for five years.

The request was received June 7, 1994, and granted Oct. 19, 1994.

NORTH CAROLINA:

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

To help those not on welfare to stay off welfare, the state can pay a one-time lump sum equal to 3 months of AFDC benefits. Such payments must be repaid if the person later applies for regular AFDC benefits. In most cases, there will be no additional benefits for additional children, and minor parents must live with their parents or guardians. Parents must see to it that their children attend school regularly and receive immunizations and regular medical exams. Custodial parents must cooperate with child support enforcement efforts.

North Carolina's application was received on September 20, 1995 and approved February 5, 1996.

In Cabarrus County, "Work Over Welfare" (WOW) requires Aid to Families with Dependent Children (AFDC) applicants and recipients with children between the ages of one and five to develop an "Opportunity Agreement" outlining employment and training responsibilities. When the youngest child in a family reaches age five, the adult will become subject to

OHIO:

The Ohio demonstration has three components: Families of Opportunity, Children of Opportunity, and Communities of Opportunity.

Communities of Opportunity will operate in up to five sites, primarily in Empowerment Zone/Enterprise Community areas. In these sites, the state will work with local business, industry and community leaders to generate up to 2500 wage-supplemented jobs during the five-year life of the demonstration. These jobs are expected to pay at least \$8 per hour and provide the economic stability for a family to leave welfare permanently. Wages will be supplemented with Food Stamp allotments and AFDC grants.

Families of Opportunity expands eligibility for two-parent families, extends transitional child care for up to 18 months, and increases the amount of earnings a family can retain before losing AFDC eligibility. It will operate in ten counties.

Children of Opportunity will operate in two counties and will focus on education. Under this component, dependent children between 6 and 18 will be required to attend school regularly.

Case management services will be available for families with attendance problems, and there will be financial penalties for failure to comply.

Ohio's first request was received on May 28, 1994 and granted on March 7, 1995. The project will operate for five years.

The "Learning, Earning, and Parenting" (LEAP) Program, Ohio's second demonstration, to be in operation for six and a half years, builds on the accomplishments of the original waiver by adding a statewide emphasis on work. The State requires AFDC recipients, who are either pregnant or parents under the age of 20, to attend school or a program leading to a high school diploma or equivalent. The modification also allows LEAP participants to meet this requirement through approved training or work activities, if educational activities are not appropriate. Bonuses, originally included in LEAP, now include a one-time \$62 grade-completion bonus for each subsequent grade (except grade 12) completed in high school or alternative school. A one-time \$200 bonus will be granted to those who graduate from high school or obtain a GED. Fiscal sanctions will be imposed for non-compliance.

Ohio's second request was received on June 19, 1994, and granted on September 6, 1995.

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

To further encourage work, the first \$250 of earned income and one-half of income over \$250 will be disregarded each month when calculating benefits. To encourage two-parent families to move from welfare to work, mothers or fathers will be able to work more than 100 hours a month and retain eligibility.

Participants will continue to be eligible for Medicaid and will receive workplace mentoring and support services. The state also will pass on to the family all the child support payments it collects on the family's behalf.

Each JOBS Plus participant will also have an Individual Education Account (IEA), to which employers will contribute one dollar per hour of work. After a participant begins working in a non-subsidized position; the state will transfer the IEA to the State Scholarship Commission. The commission will then make funds available to the participant or the immediate family for continuing education and training at any state community college or institution of higher learning.

Oregon's request was received on Oct. 28, 1993, and granted Sept. 19, 1994.

The Oregon Option replaces Oregon's previously approved JOBS Plus demonstration. The Oregon Option will test an innovative employment-focused approach to moving people from welfare to work. With its emphasis on involving the entire AFDC caseload in job-related activities, on providing supports for employment, and on defining success in terms of employment outcomes, this demonstration will help Oregon families become -- and stay -- self-sufficient.

The Oregon Option will limit Aid to Families with Dependent Children (AFDC) recipients to 24 months of benefits in any seven-year period, with some exceptions. Nearly all recipients will be required to participate in the demonstration, and progressive sanctions will be imposed for failure to comply with requirements.

Eligible participants will be provided subsidized public or private employment for up to nine months at minimum wage or better. The subsidies will be funded by combining AFDC grants and cashed-out Food Stamp allotments. The state will provide supplemental payments if an individual's income is less than the combined AFDC and Food Stamp benefits. Participants will continue to be eligible for Medicaid and will receive workplace mentoring and support services. In addition, the state will pass on to families all child support payments it collects on their behalf.

Under the Oregon Option, Oregon will have increased incentives to move more people from welfare to work. If Oregon has reduced its annual AFDC expenditures by moving recipients from welfare to work, Oregon may use the additional federal matching funds for reinvestment in services that promote self-sufficiency, such as additional child care and JOBS services. Under a separate memorandum of understanding, Oregon will have flexibility to change quality control activities to measure self-sufficiency and child well-being, while maintaining fiscal accountability.

In order to promote parental responsibility, minor parents will be required to live at home with their parents or in another safe living environment as a condition of eligibility.

The program also raises resource limits to \$3,000 and exempts the cash value of life insurance policies, one vehicle and interest and dividend payments. Children of recipients are required to attend school regularly and obtain appropriate immunizations.

The demonstration will operate in Berkeley, Dorchester, Charleston, and Barnwell Counties for a period of five years.

South Carolina's request was received on June 13, 1994, and granted on Jan. 9, 1995.

SOUTH DAKOTA:

South Dakota is initiating its "Strengthening of South Dakota Families Initiative" that encourages welfare recipients to undertake either employment or education activities. The program assigns AFDC participants to either an employment or education track that enables them to move from dependency to self-sufficiency. Individuals enrolled in the employment track will receive up to 24 months of AFDC benefits; those participating in the education track will receive up to 60 months of AFDC benefits.

Upon completion of either track, participants will be expected to find employment, or failing that, will be enrolled in approved community service activities. Individuals who refuse to perform the required community service without good cause will have their benefits reduced until they comply. In addition, in conformance with the food stamp program, AFDC benefits can be denied to any family in which an adult parent quits a job without good cause. The sanction period will last three months, or until the parent acquires a comparable job.

The demonstration also enacts new rules pertaining to the employment and earnings of children receiving AFDC. Under current law, income earned by children can reduce the family's overall AFDC payment. The South Dakota demonstration will disregard such earnings for children who are attending school at least part-time. Children will be permitted to have a savings account of up to \$1,000.

South Dakota's request was received Aug. 6, 1993, and granted March 14, 1994.

TEXAS:

"Promoting Child Health in Texas" requires the parents or guardians of children receiving Aid to Families with Dependent Children to show proof of age-appropriate immunizations, or face benefit reductions.

The state is also expanding opportunities for children to receive vaccinations in Department of Human Services' offices.

Texas' waiver was received on April 11, 1995, and approved on July 31, 1995.

VERMONT:

Vermont's "Family Independence Project" (FIP) promotes work by enabling AFDC recipients to retain more income and accumulate more assets than is normally allowed. FIP also requires AFDC recipients to participate in community or public service jobs after they have received AFDC for 30 months for most AFDC families, 15 months for families participating in the unemployed parent component of AFDC. Current child support payments will now go directly to families entitled to them.

Vermont's request was received Oct. 27, 1992, and granted April 12, 1993.

VIRGINIA:

Virginia's first demonstration, the "Welfare Reform Project," encourages employment by identifying employers who commit to hire AFDC recipients for jobs that pay between \$15,000 and \$18,000 a year and by providing additional months of transitional child care and health care benefits. A second statewide project will: enable AFDC families to save for education or home purchases by allowing the accumulation of up to \$5,000 for such purposes; encourage family formation by changing the way a stepparent's income is counted; and allow fulltime high school students to continue to receive AFDC benefits until age 21.

Further, in up to four counties, AFDC recipients who successfully leave welfare for work may be eligible to receive transitional benefits for child and health care for an additional 24 months, for a total of 36 months. In one location, Virginia will offer a guaranteed child support "insurance" payment to AFDC families who leave welfare because of employment to assist the family in maintaining economic self-sufficiency.

Virginia's request was received July 13, 1993, and granted Nov. 23, 1993.

To keep families in crisis from going on welfare, the "Virginia Independence Program" (VIP), the state's second demonstration, will offer AFDC-eligible applicants up to 120 days worth of benefits in one payment with the stipulation that they cannot receive any more AFDC benefits for at least 160 days. The state also will require unmarried minor parents to live with a parent or responsible adult, will deny additional benefits to children born to a family on AFDC, and will impose financial sanctions on families whose children do not receive preschool immunizations or comply with school attendance standards. If a caretaker relative does not assist in establishing paternity for a child born out-of-wedlock, the family's entire AFDC benefit can be terminated until the relative cooperates with the state.

VIP also contains two components: "Virginia Initiative for Employment Not Welfare" (VIEW) and "Full Employment Program" (FEP). The VIEW program, to be phased in over four years, applies only to cases with non-exempt adult recipients. Such recipients must sign an Agreement of Personal Responsibility or risk the termination of AFDC cash benefits. Cash benefits will be limited to 24 cumulative months for

inability to find employment in the local area due to a lack of appropriate jobs. Upon exhaustion of benefits, recipients become ineligible for 36 months.

With exceptions, children born while a mother receives AFDC will not be counted in determining a family's AFDC grant. In addition, child support will now be paid directly to the AFDC custodial parent in cases where the funds are collected by the state.

Wisconsin's request was received July 14, 1993, and granted Nov. 1, 1993.

In addition, under Wisconsin's AFDC Benefit CAP (ABC) Demonstration Project, no additional benefits will be provided to existing Aid to Families with Dependent Children cases due to the birth of a child, with exceptions, although additional children will remain eligible for Medicaid benefits and food stamps. All AFDC recipients will be offered family planning services and instructions on parenting skills. The new rule goes into effect ten months after the demonstration is implemented.

For this waiver, Wisconsin's application was received on Feb. 9, 1994, and approved on June 24, 1994.

Under Wisconsin's statewide "Pay for Performance" (PFP) project, AFDC applicants must meet with a financial planning resource specialist to explore alternatives to welfare. Failure to do so without good cause results in denial of eligibility for AFDC benefits for all members of the family.

Individuals who still want to apply for AFDC after meeting with the financial planning resource specialist must complete 60 hours of JOBS activities prior to approval for AFDC. At least 30 of the 60 hours must include contact with employers. Not completing this requirement without good cause will result in denial of AFDC benefits for all members of the family.

Recipients who do receive AFDC will be required to participate in JOBS for up to 40 hours per week. For each hour of non-participation, the AFDC grant will be reduced by the Federal minimum wage. If the AFDC grant is fully exhausted, the remaining sanction will be taken against the Food Stamp allotment. If hours of participation fall below 25% of assigned hours without good cause, no AFDC grant will be awarded and the Food Stamp amount will be \$10.

Wisconsin's waiver was requested April 18, 1995 and approved August 14, 1995.

WYOMING:

Wyoming's reform plan will encourage AFDC recipients to enroll in school, undertake a training program, or enter the workforce. Wyoming's plan will allow AFDC families with an employed parent to accumulate \$2,500 in assets, rather than the current ceiling of \$1,000.

THE WHITE HOUSE
WASHINGTON

February 5, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: Welfare Waivers

You asked if you could announce any of the pending welfare waivers today. North Carolina, Louisiana and Mississippi are ready.

Secretary Shalala is meeting with Governor Hunt at 3:00 p.m. today and will inform him that North Carolina's waiver is approved. The Governor will make a statement to the press at 3:30 p.m.

Rahm Emanuel and Bruce Reed recommend that HHS go ahead and make the announcements for Louisiana and Mississippi.

3.5 million and the parties would implement an alternative cleanup plan.

Drug Dealers Ousted from South Miami Housing Project: On January 19, DEA Miami, in conjunction with a combined Federal and local strike force, arrested 14 violent drug dealers in South Miami's Gardens Housing Project.

Heroin from Afghanistan Seized in Albany: On January 26, DEA Albany, in conjunction with the Albany Police Department, INS, USPS, and the Capitol District Drug Task Force, arrested two suspects at an Albany restaurant after they took possession of a controlled delivery of 900 grams of heroin.

McVeigh and Nichols Temporarily Transferred: On January 29, inmates Timothy McVeigh and Terry Nichols were transferred from the Federal Correctional Institution (FCI), El Reno, OK to the Oklahoma City Jail. McVeigh and Nichols are to appear in an Oklahoma City, Federal Court hearing to determine a venue for their criminal trial. They are scheduled to return to FCI El Reno, OK by the end of the week.

Former Administrator of Detroit Housing Department Indicted: Four people were indicted on charges concerning fraud within the Detroit Housing Department Section 8 Program. The 50-count indictment charges the former Administrator of the Detroit Housing Department Section 8 Program and three others with conspiring to commit an offense against the United States and related substantive offenses involving the solicitation of bribes regarding a federally funded program; using false documents in a matter within the jurisdiction of HUD; and, corruptly receiving money to act in violation of official duties.

Kansas City Drug Operation: The last of 35 defendants pled guilty to aiding and abetting in the distribution of drugs. The 35 defendants were indicted as part of a Kansas City-area drug organization run by the Vest brothers.

Defendant Pleads Guilty to Conspiracy to Import 600-1000 Kilos of Cocaine into the United States: A defendant pleaded guilty in Puerto Rico to conspiracy to import 600-1,000 kilograms of cocaine from South America into the United States, Puerto Rico, and the Virgin Islands from January, 1987 to January, 1994.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HHS May Approve Welfare Proposals for NC, LA, MS and UT During the Next Few Weeks: North Carolina's Work First Program, which HHS may approve next week, includes provisions that would establish a family cap, time-limit benefits, and would require minor parents to live at home or in other adult-supervised settings and to attend school. Louisiana's Individual Responsibility Project would limit AFDC benefits, require each child to attend school and be immunized, and apply full family sanctions where the parent has declined or

Can't remember the number

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refused an opportunity for full-time employment without good cause. Mississippi amends a component of the previously approved New Direction Demonstration Proj. currently operating in six counties. Utah also has proposed amendments to its current statewide welfare demonstration, the Single Parent Employment Demonstration Program. new project would exclude the value of a vehicle for AFDC recipient families, including those also receiving Food Stamps. NC and LA would become the 36th and 37th states to receive welfare waivers. With the new proposals from MS and UT, which may be approved within the next few weeks, HHS will have approved a total of 54 welfare demonstration projects.

- **Optimistic Report on Three-Drug AIDS Treatment:** During this week's Conference on Retroviruses and Opportunistic Infections, Merck reported that, in a 26-patient study, a combination of the drugs AZT, 3TC, and Merck's protease inhibitor, indinavir (trade name Crixivan), suppresses HIV below detectable levels. AZT and 3TC have FDA approval and Merck is expected to submit Crixivan to FDA for accelerated approval this week, with the application likely to go to an advisory panel on March 1.

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Record IRS Collections for Delinquent Child Support: In the next few days, Secretary Shalala will report that a record of over \$828 million in delinquent child support was collected from federal income tax refunds for tax year 1994. The amount was nearly 18% higher than the previous year, and over 1.2 million families benefitted from this critical support. The Clinton Administration has also taken executive action to make the federal government a model employer in child support collections, increase paternity establishment and improve collection of support from parents who move from state to state. Overall, federal child support collections have increased from \$7 billion in 1991 to an estimated \$11 billion in 1995.

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National Commission on Working Women Breakfast: On Monday, February 5, Secretary Shalala will attend the breakfast hosted by the National Commission on Working Women (NCWW). NCWW is honoring Mrs. Clinton in her role as the Honorary Chair of the U.S. Delegation to the U.N. Fourth World Conference on Women.

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- **Use of Welfare Programs by Immigrants:** On February 6, the Senate Judiciary Subcommittee on Immigration will hold a hearing on the use of SSI and other welfare benefits by immigrants. Lavinia Limon, Director of the Office of Refugee Resettlement, and Jack Ebeler, Deputy Assistant Secretary for Health Policy, will testify.
- **ReGo Third-Party Review Pilot Program:** A voluntary pilot program to test the use of third-party review for selected medical device applications is expected to be announced in the Federal Register within the next couple of weeks. Under the program, a third party will conduct a complete review of selected devices, document the review, and make a recommendation to FDA. FDA will check the review, make a decision and issue a decision letter.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

~~lec. RAHM~~
- Will this come up during NH trip?
- BR

January 25, 1996

TO: Kitty Higgins
Secretary of the Cabinet

FROM: John Monahan
Director, Office of Intergovernmental Affairs

SUBJECT: New Hampshire welfare reform proposals

New Hampshire has submitted a welfare reform waiver request to the Department. To expedite a decision we encouraged the State to use the "Fast Track" waiver process for a portion of it, and the State subsequently submitted such a request. The Department is committed to working with New Hampshire on its waiver requests, and in fact offered the State draft terms and conditions for the fast track portion (i.e., the work-related reforms) in October, within two weeks of receiving the Fast Track application.

HHS officials wrote the State's human services director on November 8 clarifying our readiness to move forward on the Fast Track proposal, but did not receive an official response until January 24, 1996. In its response, New Hampshire modified certain portions of the proposal, but also proposed language changes that accentuate the substantial differences remaining between the State and the Federal government on key issues.

During the same time period, we continued to have discussions with state staff on the non-work-related provisions of their proposal and sent them a list of issues to the state on the other provisions of the State January 19, 1996.

To reach an agreement with New Hampshire, we must first resolve a number of issues. Certain issues related to provisions beyond the scope of our legal authority, Medicaid eligibility, and evaluation and cost neutrality are quite substantial (see attachment).

KEY UNRESOLVED ISSUES - NEW HAMPSHIRE EMPLOYMENT PROGRAM

- o **Provisions Beyond our Legal Authority.** Section 1115 authority applies to only certain sections of the Social Security Act. We have informed the State that several provisions are beyond our authority, including:
 - Eliminating JOBS participation rate requirements and JOBS enhanced funding requirements;
 - Waivers related to the Emergency Assistance Program, the Child Care Development Block Grant program, and the At Risk Child Care Program.
 - Changes in Federal Financial Participation. New Hampshire requests a guaranteed level of Federal funding for AFDC over the life of the demonstration and the increasing the matching rate for computer system modifications to 80 percent.
- o **Medicaid eligibility.** Several provisions requested in the Medicaid program may unduly limit Medicaid eligibility. It has not been the Department's policy to limit Medicaid in any substantial manner. The State has only committed to maintaining the Medicaid eligibility of children who would otherwise be eligible in the absence of the waivers.
- o **Evaluation/Cost Neutrality.** New Hampshire insists on implementing this demonstration on a statewide basis without a control group, proposing that evaluation and cost neutrality be based solely upon unspecified pre-post comparisons. Our extensive experience indicates that random assignment of at least a small proportion of the State's AFDC recipients in at least one or two jurisdictions is essential for arriving at reliable impact results. It also serves the dual purpose of providing a sound means for assuring such projects are cost neutral to the Federal government. We have reached agreements with 35 states to operate random assignment experiments in 48 of the 50 welfare reform demonstrations approved during this Administration and have established random assignment as a requirement under our 30-day Fast Track review process. We have also stressed to the State that the authority under which waivers are being granted (i.e., through section 1115 of the Social Security Act) is a research and demonstration authority and therefore rigorous evaluation is required.



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

JAN 25 1996

The Honorable Stephen Merrill
Governor of New Hampshire
Concord, New Hampshire 03301

Dear Governor Merrill:

When President Clinton took office, he committed this Administration to providing states with the flexibility they need for innovation in their health and welfare programs. In partnership with states, the Department of Health and Human Services has been working hard to improve and streamline the waiver process. And, so far, the Clinton Administration has approved 50 welfare reform waivers for 35 states and 12 major health care reform waivers. This compares with 11 welfare reform waivers and no statewide health reform waivers approved in the previous Administration.

As you know I have regularly written the Nation's governors regarding our progress in encouraging State innovations in health and welfare reform. I would like to take this opportunity to update you on the status of your state's waiver requests:

1. Our Administration for Children and Families (ACF) received your proposal for the "Earned Income Disregard Demonstration" on September 20, 1993. After several staff conversations and an exchange of relevant information with the New Hampshire Department of Health and Human Services (NHDHHS), we were able promptly to resolve outstanding questions and issues. We sent NHDHHS draft terms and conditions under which the project could be approved on October 28, 1993. Since then, your staff has indicated that the State does not want to move ahead with this project at this time.
2. ACF received the "New Hampshire Employment Program and Family Assistance Program" on September 18, 1995. A quick initial review of this proposal by our staff identified work-related reform provisions that could be approved under the expedited review procedures announced by President Clinton last August. Under this Fast Track process, we are committed to reaching a final agreement with a state within 30 days of the receipt of a request that employs one or more of five established strategies for moving welfare recipients to work and maintains basic standards for evaluation.

As a result of our discussions, on October 6, 1995, New Hampshire submitted a separate application to implement those parts of your proposal that could be expedited under our Fast Track procedures. We faxed NHDHHS draft terms and

Page 2 - The Honorable Stephen Merrill

conditions on October 19, 1995. Late in October NHDHHS staff indicated that they were not prepared to move to a final decision on the Fast Track request, because they were considering possible changes to the application. On January 24, 1996, we received the State's response to our October 19 draft terms and conditions and ACF will be in contact with NHDHHS staff to discuss clarifications and to resolve remaining issues. We stand ready to immediately issue a separate final decision on your Fast Track submission at such time as you wish to proceed.

In addition, our staffs have resumed discussions regarding a federal review of the other aspects of your application we received on September 18, 1995. Unfortunately, the federal shutdown caused almost a month of delay in processing the application. Nevertheless, within a few days of our staff's return to work, on January 19, 1996, we faxed to NHDHHS a list of issues and questions for discussion.

3. New Hampshire submitted a section 1115 statewide health reform demonstration proposal entitled the "Granite State Partnership for Access and Affordability in Health Care" to the Health Care Financing Administration (HCFA). On June 20, 1995, your staff sent us a revised proposal and met with HCFA Administrator Bruce Vladeck, to discuss various health reform options available to the state. Based on these discussions, your staff proposed a health reform concept paper that was shared with us on September 25, 1995. Within one month we sent your staff a letter outlining issues that we identified in their concept paper. This week HCFA staff plans to visit with State officials to continue developing your State's concept paper on health care reform.

As you can see, we have been working closely with your State agencies on a number of health and welfare reform projects. On those matters where we are awaiting further information from the State, please be assured we will continue to respond promptly. We have resolved similar issues in many of the other 50 waiver demonstrations that have been approved. Therefore if NHDHHS's response indicates resolution of these issues, ACF will promptly submit draft terms and conditions of a waiver approval for your staff's review.

If you have any questions about our process or about the status of your waiver proposals, please do not hesitate to contact me or have your staff call John Monahan, Director of Intergovernmental Affairs, at (202) 690-6060.

Sincerely,



Donna E. Shalala

DATE: May 31, 1996

TO: John Monahan, IGA
Mary Bourdette, ASL
Richard Tarplin, ASL
Melissa Skolfield, ASPA
Marcella Haynes, OCR
Joan Peterson, HCFA
Kathleen Blume, HCFA/MB
Mark Schroder, HUD
Lester Cash, OMB
Diana Fortuna, White House/DPC

Canta Pian, ASPE
Ann McCormick, ASPE
Sam Shellenberger, ASMB
Jeff Merkowitz, OS/ES
Anna Durand, OGC
Bob Keith, OGC
Rita Oliver, FCS
Pat Arnaudo, HUD/PIH

FROM: Karl Koerper
Office of Planning, Research and Evaluation, ACF

RE: Weekly Tracking Update - Welfare Reform: Section 1115
Waiver Activity

Report and highlights attached.

DATE: May 30, 1996

TO: See Fax Sheet or LAN Message for Addressee

FROM: Karl Koerper
Office of Planning, Research and Evaluation, ACF

RE: Weekly Tracking Update - Welfare Reform: Section 1115 Waiver Activity

Report attached.

Total approvals to date: 61 demonstrations in 38 states

Highlights since May 16

o Approved Demonstrations: None

o New Applications: Minnesota (Amendment to AFDC Barrier Removal project), Wisconsin (Amendment to prior pending waiver request) and Wisconsin (W2) *

o Other actions:

Maine decision package put into final clearance.

Sent draft terms and conditions to California (Grandparent Deeming), Maine (revised), New Hampshire (partial - revised) and Oklahoma.

o Anticipated actions:

Expect to put final decision package into clearance on Florida, Illinois (Paternity), and Utah.

Expect to send draft terms and conditions on Illinois (Cross-Match), Michigan, Minnesota (both projects) and Tennessee to Federal reviewers.

Expect to send letters to New Jersey and Wisconsin regarding issues concerning future/current applications.

o Other notes:

See Pre-Application Contact and Anticipated section for updated information on District of Columbia, Nevada, New Mexico, New York and West Virginia.

Schedule of next actions on Hawaii, Kansas, and Maryland not yet determined, but expedited action should be anticipated. Likely to begin drafting terms and conditions following oral discussions on key issues (in lieu of sending formal analysis paper).

- * Applications for amendments to currently operating demonstration in Massachusetts (re: time limits) and Virginia (re: cooperation with child support enforcement) also received, but not listed as separate demonstration application.

ACF - WELFARE REFORM: SECTION 1115 WAIVER AUTHORITY - May 30, 1996

STATE	INITIATIVE	KEY DATES	COMMENTS
RECEIVED (Active)	26 Applications from 18 States (Active and Inactive Status)		
California WORK PAYS DEMONSTRATION PROJECT (AMENDMENTS)	Would amend the Assistance Payments Demonstration Project/California Work Pays Demonstration Project (APDP/CWPDP) to allow two additional AFDC benefit reductions: (1) reduce the Maximum Aid Payment (MAP) by 4.9 percent across-the-board statewide; and (2) divide California counties into two regions based on housing costs, and reduce both the Need Standard and the MAP in the region with the lower costs. In addition, the State is requesting blanket authority for future reductions in AFDC payment levels in conjunction with welfare reform state law changes.	Received 3/13/96	Developing analysis paper.
California WORK PAYS DEMONSTRATION PROJECT (AMENDMENTS)	Would amend the Assistance Payments Demonstration Project/California Work Pays Demonstration Project to allow one additional provision: income of a senior parent living in the same household with a minor parent with a dependent child will not be deemed to the minor parent's child.	Received 3/13/96	Draft terms and conditions sent to Federal reviewers 4/11/96. State provided follow-up information needed to complete draft terms and conditions 5/14/96. Draft terms and conditions sent to State 5/23/96.
Florida FAMILY RESPONSIBILITY ACT	Statewide, would require dependent children and caretaker relatives under age 18 to remain in school; pay half the AFDC benefit increment for the first child conceived by an AFDC recipient and provide no cash benefits for a second or subsequent child; exclude from the AFDC budget child support payments for children subject to the family cap; require AFDC recipients not participating in JOBS or actively seeking employment to engage in 20 hours per week of community employment or work experience.	Received 10/4/95	Analysis paper sent to Federal reviewers 11/8/95 and to State 1/22/96. Response received 2/27/96. Beginning to develop draft terms and conditions. Conference call held 3/20/96. Draft terms and conditions sent to Federal reviewers 4/3 and to State 4/18/96. Developing final decision package, but waiting for some final details from State.

MAY-31-1996 18:43 FROM HHS/OCF/OPRE TO UH/D. FORTUNA P. 04/30

STATE	INITIATIVE	KEY DATES	COMMENTS
Georgia JOBS-FIRST PROJECT	In ten pilot counties, would replace AFDC payment with paid employment; extend transitional Medicaid to 24 months; eliminate 100 hour employment rule for eligibility determination in AFDC-UP cases.	Received 7/5/95	Put on hold by State 9/95 through 11/95. Analysis paper sent to State 1/19/96. Response received 5/20 leaves issues unresolved.
Hawaii PURSUIT OF NEW OPPORTUNITIES (PONO) PROGRAM	Statewide, would limit lifetime benefit receipt to 5 years; reduce grant amount over time, in increments to 50% of maximum amount; exclude minor student's income in Gross Income Test; increase earned income disregard (20% of gross, - \$200, - increasing %age of remainder) with no time limit; eliminate unemployed parent categorical requirements; 6) increase resource limit to \$5,000; exempt 1 vehicle used for employment; eliminate the \$50 pass through of child support collections; exempt all private educational loans and grants and eliminate 100-hour, attachment to the work force, 30 day unemployment and principal wage earner criteria for AFDC-UP families.	Received 5/7/96	Replaces previous application for Families are Better Together (see Withdrawn section). Beginning to identify and resolve issues.
Illinois SIX MONTH PATERNITY ESTABLISHMENT DEMONSTRATION	In 20 counties, would require the establishment of paternity, unless good cause exists, within 6 months of application or redetermination as a condition of AFDC and Medicaid eligibility for both mother and child; would deny Medicaid to children age 7 and under, exclude children from filing rules, and exempt Department from making protective payments to eligible children, when custodial parent has not cooperated in establishing paternity; delegate the establishment of paternity in uncontested cases to caseworkers who perform assistance payment or social service functions under title IV-A or XX.	Received 7/18/95	Draft terms and conditions sent to Federal reviewers 11/29/95. Conference call with State 12/6 and 12/14/95. State did not agree with terms and conditions, discussions with State have continued with conference call with State staff held 1/29/96. Draft terms and conditions sent to State 2/13/96. Response received 3/1/96. Conference call with State 3/11/96. State's proposed modifications received 3/29/96. Revised terms and conditions sent to State 4/24/96. Expect response soon.

STATE	INITIATIVE	KEY DATES	COMMENTS
Illinois	Statewide, would further amend project to allow State to close cases for failure to report earnings.	Received 7/18/95	State has requested reconsideration of provision not previously approved. Working to resolve remaining issues. State sent additional information concerning unresolved issues 5/6/96. Conference call held with State staff 5/17/96. Developing draft terms and conditions.

WORK AND
RESPONSIBILITY
DEMONSTRATION
(AMENDMENT)

Note: Not included in
received count above

MAY-31-1996 10:44 FROM HHS/RCF/OPRE TO WJ/D. FORTUNA P. 06/30

STATE	INITIATIVE	KEY DATES	COMMENTS
Indiana	Statewide, would amend current demonstration to impose 24-month lifetime limit on AFDC/categorical Medicaid (12 months for resident aliens); provide 1 additional month for each 6 months full-time employment; count AFDC receipt from another state within the previous 3 years against the time limit; restrict permissible "specified relatives" for AFDC children and minor parents; extend AFDC, Medicaid, and food stamp fraud penalties; establish 3 unexcused absences per year as "unacceptable school attendance"; provide a voucher for goods and services related to child care for family cap child; divert AFDC grants to subsidize child care; allow employed AFDC recipient option of receiving child care or an AFDC payment equal to the family's benefit before employment; require establishment of paternity as a condition of eligibility; establish additional conditions of eligibility for AFDC; impose penalties for illegal drug use; base CWEP hours on the combined value of AFDC/Medicaid assistance; subject JOBS volunteers to JOBS sanctions; disregard income up to 100% of the federal poverty; expand voluntary quit penalties; impose income limits on transitional Medicaid and child care and limit each to 12 months in a person's lifetime; with exceptions; deny Medicaid to those determined ineligible as a result of AFDC welfare reform provisions; restrict Medicaid payments made to employees with employer's health benefits; and require minor parents to live with a legally responsible adult and count the income and resources of non-parent adults.	Received 12/14/95	Met with State officials 2/5/96. Analysis paper sent to Federal reviewers 2/6/96 and to State 3/4/96.
IMPACTING FAMILIES WELFARE REFORM DEMONSTRATION (AMENDMENTS)		Additional Amendments Received 2/6/96	Met with State officials 5/13/96. Developing draft terms and conditions. Conference call scheduled 6/3/96.
	Additional provisions: Food Stamp recipients could be required to participate CWEP and job search; increase AFDC and Food Stamp penalties for non-compliance with CWEP and job search; require cooperation with child support as condition of eligibility for Food Stamps.		

STATE	INITIATIVE	KEY DATES	COMMENTS
Kansas	<p>Statewide, would disregard 40 percent of gross earnings without a time limit; exempt the earnings and interest income of children who are students; exclude the value of one vehicle without regard to market value; broaden eligibility for AFDC-UP; make pregnant mothers and in-home fathers eligible for AFDC; apply 3-month full family fiscal sanction to applicant and recipient caretakers who voluntarily quit or are fired without good cause; apply progressive fiscal sanction to families whose head fails to comply with work requirements finally resulting in non-curable 3-month full family sanction with reinstatement upon compliance; apply progressive fiscal sanction to families whose head fails to cooperate with child support finally resulting in non-curable 2-month full family sanction with reinstatement upon compliance; withhold benefits until month after month in which untimely reports of household changes increasing benefits are made; exempt interest income for applicants and recipients up to \$50 per month; exempt retained lump sum payments for applicants and recipients; eliminate protective payees except for mismanagement or at request of recipient; count SSI income of adults and children as income available to support AFDC families; increase transitional Medicaid assistance, count sponsor's income for three years after entry of a sponsored alien; exempt from calculation of Food Stamp benefits income derived from education; eliminate the 8-week job search limit; eliminate the 20-hour per week JOBS participation limit for parents with a child under 6 and consider alcohol and substance abuse screening; and treatment as an allowable JOBS activity and Food Stamp Employment and Training activity with failure-to-cooperate sanctions the same as for non-cooperation with work requirements.</p>	Received 7/26/94	Analysis paper for initial submission sent to Federal reviewers 9/19 and to State 10/21/94. Response received 11/1 and follow-up letter addressing remaining key issues sent to State 11/30/94. Response received from State 1/11 and conference call held with state 1/12/95. Draft terms and conditions sent to Federal reviewers 1/27 and to State 3/15/95 (without time-limit provisions). Final package put in clearance 4/14/95, but State asked that final decision be put on hold.
ACTIVELY CREATING TOMORROW FOR FAMILIES		Amendments Received 4/30/96	Met with State officials 5/13/96. Have begun to draft revised terms and conditions and resolve remaining issues.
			ALSO SEE ADDENDUM

ACF - WELFARE REFORM: SECTION 1115 WAIVER AUTHORITY - May 30, 1996

STATE	INITIATIVE	KEY DATES	COMMENTS
Maine	<p>Statewide, would require caretaker relatives to sign a family contract; require participation in parenting classes and health care services; provide one-time vendor payments in lieu of AFDC for the purpose of obtaining/retaining employment; provide voucher payments to both married and unmarried minor parents; limit JOBS exemptions; expand eligibility for Transitional Medicaid and Child Care and replace sliding-scale fees with flat-rate fees; reduce Transitional Medicaid reporting requirements; disregard entire value of one vehicle; and apply any federal savings to the JOBS program services. In selected sites, implement ASPIRE-Plus, a work supplementation program cashing out food stamps and pass through all child support collected to families who participate in ASPIRE-Plus.</p>	<p>Received 9/20/95</p>	<p>Analysis paper and draft section 2 of terms and conditions sent to Federal reviewers 10/13 and to State 10/19/95. Partial responses to various issues received between 1/22 and 4/11/96. Conference call held with State staff/evaluator 2/26/96. Draft terms and conditions sent to Federal reviewers and State 4/26/96. Conference call with State 5/2/96. Revised terms and conditions sent to Federal reviewers 4/26/96 and to 5/21. Final decision package put into clearance 5/29/96.</p>

WELFARE-TO-WORK PROGRAM

MAY-31-1996 18:45 FROM HHS/RCF/OPRE TO WH/D. FORTUNA P. 09/30

STATE	INITIATIVE	KEY DATES	COMMENTS
Maryland FAMILY INVESTMENT PROGRAM - AMENDMENTS	Statewide, would introduce new provisions and expand, with some modifications, previously approved Family Investment Program (FIP) pilot county provisions to be statewide: impose immediate full-family sanctions for fraud and for failure to cooperate with JOBS or child support enforcement requirements; replace the current \$90 and \$30-and-one-third exclusions with a flat 20% earned income deduction; eliminate the \$50 child support pass-through; reduce the adverse notification period to 5 days; allow case managers to set AFDC certification periods up to 1 year and require eligibility to be re-established before the end of each certification period; allow \$2,000 in countable resources and exclude one vehicle per household, life insurance, and certain real property; count stepparent income only if it is more than 50% of the poverty level; allow non-custodial parents and stepparents to participate in JOBS; provide welfare avoidance grants of up to 3 months benefit amount (up to 12 months in special circumstances); allow IV-A child care funds in lieu of AFDC for families diverted from cash assistance; and modify JOBS program requirements.	Received 4/26/96	Developing draft terms and conditions and working with State to resolve final issues.
Michigan TO STRENGTHEN MICHIGAN FAMILIES DEMONSTRATION PROJECT (AMENDMENTS)	Statewide, would require minor parents to live with their parent or other suitable adult; and require minor parents who have not graduated from high school to attend school as a condition of family eligibility.	Received 4/26/96	Will begin to draft terms and conditions and resolve final issues.

STATE	INITIATIVE	KEY DATES	COMMENTS
Minnesota	Statewide, would expand AFDC-UP eligibility; treat minor parents living with a caretaker parent on AFDC as a separate filing unit and disregard the caretaker parents' earned income up to 200 percent of the federal poverty guideline; disregard earned income of dependent children who are at least half-time students as well as all their savings deposited into an individual development account; increase the auto-equity limit to \$4,500; cease recovering overpayments (once every two years per case) due to an individual's new employment resulting in ineligibility; and not provide benefits to families who have resided in State less than 12 months for 30 days after application and determine AFDC benefit amount for such families and calculate cash assistance at a payment standard of the state of immediate prior residence if less than Minnesota's.	Received 4/4/96	Analysis paper sent to Federal reviewers 4/18/95. Met with State officials 5/16/96 concerning both pending requests (see Work First Program below) which we will hereafter review as a joint package (analysis papers will not be sent). Developing draft terms and conditions while working to resolve final issues.
AFDC BARRIER REMOVAL		Amendment Received 5/28/96	

STATE	INITIATIVE	KEY DATES	COMMENTS
Minnesota	In pilot counties, would provide vendor payments in lieu of regular AFDC benefits for applicants' rent and utilities for up to six months; sanction for at least six months job-ready applicants who fail to comply with job search and other applicants who fail to participate in JOBS orientation; and require part-time CWEP of unemployed, nonexempt job-ready individuals who fail to participate in job search for 32 hours/week or who after eight weeks of job search are not employed for at least 32 hours/week or not self-employed with a net income equal to the family's AFDC benefit. Individuals who refuse to participate in CWEP or are terminated from a CWEP job would incur a whole family sanction and become ineligible for AFDC for at least six months. Non-job-ready participants would be assigned appropriate education and training. Post-placement services would be provided for up to 180 days and Transitional Child Care and Medicaid without regard to AFDC receipt in 3 of the 6 months preceding ineligibility.	Received 4/4/96	Analysis paper sent to Federal reviewers 4/18/95. Review being handled jointly with AFDC Barrier Removal Project (see status above).
WORK FIRST PROGRAM			

STATE	INITIATIVE	KEY DATES	COMMENTS
<p>New Hampshire</p> <p>NEW HAMPSHIRE EMPLOYMENT PROGRAM AND FAMILY ASSISTANCE PROGRAM</p>	<p>Statewide, would replace AFDC with Employment Program administered by both Employment Security Agency and Family Assistance Program; require job search for up to 26 weeks followed by work-related activities for 26 weeks; eliminate JOBS target group funding and JOBS reporting requirements; require minors attending school to participate in work-related activities; eliminate JOBS services priority for volunteers, provision of transportation and other JOBS services and remoteness exemption; eliminate conciliation and apply JOBS sanction of 50% of AFDC benefits for three months followed by no payment for three months, allowing option to increase initial sanction up to 100%; exempt pregnant women from JOBS only during third trimester; require non-custodial parents to participate in JOBS; allow up to one year of transitional case management; eliminate gross income test; increase earned income disregard to 50%; eliminate AFDC-UP eligibility requirements; raise resource limit to \$2,000 and exclude one vehicle; pass through child support directly to family without \$50 disregard; count SSI income in determining eligibility/payment; for minor parents cases, include in assistance unit any parent or sibling living in the home; disregard educational grants; require pregnant recipients to cooperate with child support; allow emergency assistance for families with employment-related barriers; change allowable funding for child care, systems FFP rate and provide at least baseline FFP for AFDC; require that AFDC apply for Medicaid as a unit and not individually; eliminate requirement of receipt of AFDC for 3 of last 6 months in order to receive transitional Medicaid; and allow State to assign cases to managed care. Also requests various Food Stamp waivers.</p>	<p>Received 9/18/95</p>	<p>Priority initially given to separate "Fast-Track" application described below. Met with State officials 12/13/95 concerning both proposals. Analysis paper sent to Federal reviewers 12/14/95 and to State 1/19/96. Letter to Governor addressing status of review of both proposals and key issues put into clearance 1/25/96. Conference calls with State staff 2/5 and 2/9/96. Draft terms and conditions sent to Federal reviewers 3/11/96 and to State (in portions) 3/15 and 3/19/96. Met with State officials 5/13/96 and State proposed amendments 5/22/96 and more amendments remain possible. Partial revised terms and conditions sent to State 5/23.</p>

MAY-31-1996 18:46 FROM HHS/ACF/OPRE TO WH/D, FORTUNAR P. 13/30

STATE	INITIATIVE	KEY DATES	COMMENTS
<p>New Hampshire (30 day approval process) NEW HAMPSHIRE EMPLOYMENT PROGRAM</p>	<p>In three pilot sites, would require work after 6 months of AFDC receipt; eliminate the exemption from JOBS for women in the second trimester of pregnancy; eliminate the JOBS exemption for caretaker of a child under 3 but not less than 1 year of age; replace the earned income disregard of \$90 and \$30 and 1/3 with a 50% disregard which is not time-limited; raise the resource limit for recipients to \$2,000; disregard full value of one vehicle per adult for applicants and recipients; apply a full family sanction for voluntarily quitting a job or refusing to accept a job; apply a sanction of reducing the payment standard by 30% for one month for failure to comply with JOBS in the first instance or until compliance, by 60% in the second instance for one month or until compliance, and in the third instance apply a full-family sanction for three months or until compliance; and require non-custodial parents to participate in JOBS.</p>	<p>Received 10/6/95</p>	<p>Draft terms and conditions sent to Federal reviewers 10/13 and to State 10/19/95. Letter sent to State 11/8/95 documenting that we did not reach decision in 30 day period because we did not receive a response to draft terms and conditions. Response to draft terms and conditions received 1/24/95 left substantial issues unresolved. Met with State official 5/13/95. Working to resolve final issues and revise draft terms and conditions.</p> <p>ALSO SEE other project above related to joint efforts on both State proposals. We are now essentially processing the full request rather than moving the expedited proposal on a separate track.</p>
<p>Oklahoma WELFARE SELF-SUFFICIENCY INITIATIVE</p>	<p>In four pilots conducted in five counties each, would 1) extend transitional child care to up to 24 months; 2) require that all children through age 18 be immunized and require that responsible adults with preschool age children participate in parent education of enroll the children in Head Start or other preschool program; 3) not increase AFDC benefits after birth of additional children, but provide voucher payment for the increment of cash benefits that would have been received until the child is two years old; and 4) pay lesser of AFDC benefit or previous state of residence or Oklahoma's for 12 months for new residents.</p>	<p>Received 10/27/95</p>	<p>Analysis paper sent to Federal reviewers 12/7/95 and to State 1/26/96. Response received 4/4/96. Draft terms and conditions sent to Federal reviewers 5/10 and to State 5/24/96.</p>

MAY-31-1996 18:47 FROM HHS/ACF/DPE TO LH/D. FORTUNA P. 14/30

STATE	INITIATIVE	KEY DATES	COMMENTS
Tennessee FAMILIES FIRST	<p>Statewide, would impose 18 month time limit with 60 / month lifetime limit on cash assistance and require up to 40 hours work or work-related activities, unless exempt; eliminate many JOBS exemptions; remove limits on periods of job search; not increase family benefits following a child's birth; require unmarried teen parents without high school diploma/GED to participate in education/other approved activity; deny AFDC for three months if applicants/recipients have voluntarily quit a job; impose whole family sanction for noncompliance with work-related activities; provide transitional child care/transitional Medicaid for 18 months without regard to months of AFDC receipt; change earned income disregards; impose rules so that when AFDC recipient marries, the new family unit will be eligible without regard to the 100-hour rule, work history and quarters of work requirements and disregard new stepparent's income up to set limit; hold harmless child support arrearages owed by the new husband/wife as long as the parent continues to reside in the home; require that applicants and recipients sign Personal Responsibility Plan as condition of eligibility and assure that children attend school and receive regular immunizations/health checks, and the caretaker cooperates with child support enforcement; impose whole family sanction for failure to cooperate with child support enforcement; deny AFDC for 10 years for those convicted of fraudulently receiving benefits from two states simultaneously; and allow establishment of special accounts up to \$5,000; conform AFDC and Food Stamp resource limit to \$2,000, auto limit, and treatment of lump sum income; in 12 counties allow individual development accounts up to \$5,000; and in 1 county operate a Responsible Fatherhood Demonstration Pilot using IV-D funds.</p>	Received 5/1/96	Analysis paper not warranted. Developing draft terms and conditions.

STATE	INITIATIVE	KEY DATES	COMMENTS
Utah SINGLE PARENT EMPLOYMENT DEMONSTRATION (AMENDMENTS)	<p>Would amend the current Single Parent Employment Demonstration (SPED); requiring preschool children to be immunized and other children to attend school; considering as a single filing unit each family with a child in common, including all children in the household related to either parent; permitting parents removed from the grant due to non-cooperation or fraud to remain eligible for JOBS services, including support services; and allowing a "best estimate" of earnings in lieu of actual earnings so long as estimate is within \$100 of actual earnings. Immunization/school attendance provisions would initially be limited to the Kearns office and later expanded to other SPED sites.</p>	Received 2/07/96	<p>Analysis paper sent to Federal reviewers 3/12/96 and to State 4/3/96. Draft terms and conditions sent to State 4/30 and to Federal reviewers 5/3/96. Developing final clearance package.</p>

MAY-31-1996 18:49 FROM HHS/ACF/DPRE TO W/D. FORTUNA P.16/30

STATE	INITIATIVE	KEY DATES	COMMENTS
Wisconsin	<p>Statewide, would lower the JOBS exemption from a parent whose youngest child is one year old or younger to a parent whose youngest child is 12 weeks old or younger; require up to 40 hours a week in CWEP regardless of the amount of the family's AFDC grant and require participation in substance abuse and mental health treatment, as appropriate; include intentional failure or voluntary quit in a work component as a failure to cooperate with JOBS and apply JOBS program sanctions to the entire family; and limit AFDC receipt to 60 months in a lifetime, with exemptions and case-by-case extensions. The state would extend child care to families earning up to 165 percent of poverty with graduated co-payments based on the cost of care, and change IV-A cases headed by a non-needy non-legally responsible relative to a IV-E case and provide cases headed by an adult SSI recipient a special child-only grant supplement in lieu of the regular AFDC payment for the child. Both types of cases would be exempt from the time limit and work requirements. Further, the state would require minor parents to live with a parent or in an adult-supervised setting.</p>	<p>Received 5/8/96</p>	<p>Discussing issues with State.</p>
<p>WORK NOT WELFARE DEMONSTRATION AND PAY FOR PERFORMANCE PROJECT (AMENDMENTS)</p>	<p>Amendments</p>	<p>Received 5/17/96</p>	
Wisconsin	<p>Description not yet available (see Anticipated Section describing W-2 provisions that we expected to receive).</p>	<p>Received 5/29/96</p>	<p>Not yet distributed.</p>
<p>WISCONSIN WORKS (W-2)</p>			

MAY-31-1996 10:48 FROM HHS/ACF/OPRE TO WHD, FORTUNA P.17/30

STATE	INITIATIVE	KEY DATES	COMMENTS
Wyoming	<p>Statewide, would expand current pilot demonstration provisions; limit family's AFDC benefits to 5 year lifetime limit effective 7/1/87, with limited exceptions and extensions; establish 10 different payment levels based on household size and supplied shelter and shelter included; eliminate AFDC eligibility of child-less pregnant women; freeze household size 10 months after initial AFDC qualification; as a condition of eligibility, require teen parents to attend and complete education components within time frame established for their graduating class; require up to 16 weeks of job search; for recipients only, establish single maximum earned income disregard of \$200, not applicable to adults and minor parents disqualified for other program reasons (fraud, education time limits, illegal aliens); disregard earned income and resources of a dependent child who is a full-time high school student; disregard, for AFDC and Food Stamps, unearned income for a veteran's service connected to disability if not in excess of poverty guidelines; disregard one vehicle with the fair market value of less than \$12,000 for AFDC and Food Stamps; expand resource limit to \$2500 for recipients meeting self-sufficiency plan performance requirements and exempt recipients; terminate family's AFDC benefits and adults Food Stamps and Medicaid benefits for adult non-compliance with self-sufficiency plan, including cooperation with child support enforcement, and terminate case if there is a one-month loss of contact with a client after imposing sanction; reduce AFDC benefits by \$40 if a child fails to comply with plan; set performance standards for postsecondary education participation and allow payment of a supplied shelter grant to households with an SSI recipient or for unmarried minor parents.</p>	Received 5/13/96	Not yet distributed.

NEW OPPORTUNITIES AND
NEW RESPONSIBILITIES
PHASE II (AMENDMENTS)

STATE	INITIATIVE	KEY DATES	COMMENTS
RECEIVED (Inactive)			
California WORK PAY DEMONSTRATION PROJECT (AMENDMENTS)	Statewide, would amend Work Pays Demonstration Project by adding provisions to: reduce benefit levels by 10% (but retaining the need level); reduce benefits an additional 15% after 6 months on assistance for cases with an able-bodied adult; and time-limit assistance to able-bodied adults to 24 months.	Received 3/14/94	Met with State officials 3/10/94. Analysis paper sent to State 7/1/94. State had been expected to submit modified request by September 1994 to reflect recently passed alternative welfare reform legislation. Now expect revised application in early 1996. ALSO SEE ADDENDUM
California WORK PAY DEMONSTRATION PROJECT (AMENDMENTS)	Statewide, would amend the Work Pays Demonstration Project by adding provisions to not increasing AFDC benefits to families for additional children conceived while receiving AFDC.	Received 11/9/94	Analysis paper sent to Federal reviewers 1/19 and to State 1/30/95. Response received 6/2/95 and conference calls with State 7/12 and 7/27/95. Draft terms and conditions sent to Federal reviewers 8/1 and to State 8/2/95. Put into final clearance 8/3 but new issues arose with State discussed in conference call 8/8/95. Put into final clearance again 8/18/95 but held due to unresolved issue. Letter offering agreement under specific terms and conditions sent to State 2/1/96. Drafting letter of response to State concerning rejection of offer received 2/2/96. ALSO SEE ADDENDUM

STATE	INITIATIVE	KEY DATES	COMMENTS
New Hampshire EARNED INCOME DISREGARD DEMONSTRATION PROJECT	AFDC applicants and recipients would have the first \$200 plus 1/2 the remaining earned income disregarded.	Received 9/20/93	Draft Terms and Conditions sent to State 10/28/93. State has not responded.
Pennsylvania SCHOOL ATTENDANCE IMPROVEMENT PROGRAM	In 7 sites, would require school attendance as condition of eligibility.	Received 9/12/94	Analysis paper sent to Federal reviewers 10/18 and to State 11/30. State response received 4/18/95. Draft terms and conditions were being developed until State put on hold while coordinating development with affected schools. ALSO SEE ADDENDUM
Pennsylvania SAVINGS FOR EDUCATION PROGRAM	Statewide, would exempt as resources college savings bonds and funds in savings accounts earmarked for vocational or secondary education and disregard interest income earned from such accounts.	Received 12/29/94	State informed that they may be able to implement their program without waivers, considering this option.
PRE-APPLICATION CONTACT			
Arizona	Would provide one-time up-front diversion payments in lieu of AFDC benefits.		Call from State staff 4/1/96.

MAY-31-1996 10:49 FROM HHS/ACF/OPRE TO W/D. FORTUNA P. 20/30

STATE	INITIATIVE	KEY DATES	COMMENTS
District of Columbia	Would increase resource and auto asset limits; increase earned income disregards to \$100 plus 50 percent of remainder; require minor parents to attend school and reside with adult parent or in a supervised setting; provides incentives to stay in school; require unemployed non-custodial parents to participate in JOBS		DC City Council passed legislation 8/95. Met with District staff 2/1/96. Waiver application expected by 12/96.
Florida	eliminate increase in AFDC benefits for additional children conceived while receiving AFDC and base eligibility for two-parent families strictly on income. Would implement portions of welfare reform legislation authorized in the advent of national reform block granting the AFDC program. Further description not yet available.		Federal work group has held meetings with District officials as means of offering assistance in developing welfare reform proposal. Discussed various pieces of pending legislation with State officials 3/20/96. Governor subsequently signed welfare reform legislation.

STATE	INITIATIVE	KEY DATES	COMMENTS
Idaho	<p>Statewide, would require compliance with conditions of a Personal Responsibility Contract as a condition of receiving cash benefits; eliminate AFDC-UP deprivation requirements and 100-hour rule; eliminate AFDC benefits to pregnant, but childless recipients; limit AFDC eligibility to 24 months (including months of receipt in another state), but provide 12 months transitional Medicaid and child care following time limit; not increase AFDC benefits following birth of a child; expand earned income disregards; in determining eligibility, count income of non-parent caretaker relatives and income and resources of SSI recipients, but disregard a portion of stepparent income; require that children be immunized and attend school; provide diversion grant in lieu of AFDC for applicants or to assist recipients in employment relocation; impose a full-family sanction for voluntarily quitting a job, non-cooperation with work requirements or in establishing paternity, or AFDC fraud; reduce AFDC cash benefits by half and deny Medicaid to parent when paternity has not been established within 12 months; require life-skills training of JOBS exempt recipients and require participation after a youngest child has reached 3 months of age; require participation in other non-JOBS work programs in counties without a JOBS program; extend work experience program to private sector and purchase worker's compensation for such participants; disregard educational loans as a resource; increase resource limit to \$2000 and auto equity limit to \$4600; eliminate \$50 child support disregard; require minor parents to live with a responsible adult; and establish single child care program for recipients and other low-income families.</p>		<p>Draft materials received from State 3/5/96. Follow-up phone call with State staff 3/8/96 and met with consultant representing State 4/1/96.</p>

STATE	INITIATIVE	KEY DATES	COMMENTS
Illinois	Would continue to make AFDC payments to families whose children are in foster care.		State staff called to discuss provision being considered by legislature.
Kentucky	Statewide, would provide \$30 and 1/3 earned income disregard indefinitely; expand activities countable toward JOBS participation rate; provide JOBS services to non-custodial parents; extend transitional Medicaid and child care to 2 years; increase vehicle asset limit to \$4500; and cash-out Food Stamps.		Proposal being developed. Expect submission in May.
Michigan	Michigan is discussing whether they will seek waivers to implement some or all the elements of the welfare reform program which they had planned to put in place under a block grant.		Application being developed.
Minnesota	Various pilot projects would test various approaches to diverting applicants from AFDC ranging from emphasis on up-front cash payments to child care provision.		Met with State officials 5/16/96.
Nevada	Would increase income disregards; expand up-front job search; increase vehicle asset limit; strengthen requirements for cooperating with child support enforcement; and implement provisions to make AFDC/Food Stamp rules more compatible.		Conference call held with State staff 5/9/96.

MAY-31-1996 10:50 FROM HHS/ACF/OPRE TO WH/D. FORTUNA P. 23/30

STATE	INITIATIVE	KEY DATES	COMMENTS
New Jersey	<p>Would establish 5 year lifetime benefit for AFDC and require community service for those not finding work within 2 years; require child support order as a condition of eligibility; limits work program exemptions; require teen parents to live at home and attend school; increase earned income disregards to 100% in first month of employment and 50% thereafter; apply full-family sanction for non-cooperation with work requirements, not allowing corresponding adjustment in Food Stamp benefits; increase resource limit to \$2000; extend Transitional Medicaid to two years and combine AFDC, Emergency Assistance and General Assistance Program into single program with entire household as the eligibility unit.</p>		<p>Program being developed unveiled by the Governor 1/29/96. Draft materials received 2/12 and met with State officials 2/15/96. Expect draft application by mid-May and final application by end of May.</p>
New Mexico	<p>Had been considering proposal to require able-bodied adults to register with the Department of Labor and Employment; calculate and recertify benefits every 6 months and not reduce AFDC benefits if changes occur, including earned income; disregard value of one vehicle and increase resource limit to \$2000, and strengthen requirements for cooperating with child support enforcement.</p>		<p>Legislature adjourned failing to pass broader welfare reform package. State will seek more limited mix of waivers. Regional office staff met with State officials 5/15/96 and agreed to serve on task force re: implementing welfare reform waivers.</p>
	<p>Now looking at various options focussed on requiring work in return for assistance.</p>		

STATE	INITIATIVE	KEY DATES	COMMENTS
New York	Statewide, would require school attendance, lower AFDC benefits to new residents and increase fraud penalties.		Met with State staff 2/27 and had call with State 7/12/95. Draft application received 12/5/95. Met with State official 3/15/96. Application expected soon.
	Governor also seeking legislation that would time limit benefits to 5 years followed by food/housing vouchers; apply a family cap; increase income disregards and require minor parents to live in adult-supervised setting.		Unclear if Assembly will reach agreement that will clear way for legislative agreement on Governor's plan.
Pennsylvania	Would budget income prospectively for applicants and recipients in during first two months with earnings and in the months after earned income stops.		Draft paper received 10/1/93.

STATE	INITIATIVE	KEY DATES	COMMENTS
Pennsylvania	<p>A proposed Pennsylvania Senate Bill establishes "RESET," the Road to Economic Self-Sufficiency through Employment and Training Program. Recipients would be required to sign an Agreement of Mutual Responsibility outlining: with exemptions, job search/work activities; school attendance, immunization, and child support requirements. The state would cease payment of the \$50 pass-through. Minor parents would be required to live with parents or in an adult-supervised setting. After 24 months, individuals would be required to participate in work activities for an average of 20 hours/week. The state would combine AFDC and the cash value of food stamps to subsidize private-sector employers. Families would be allowed to have one motor vehicle and 50 percent of income disregarded and step-parent income would be considered available. Families residing in the state for less than 12 months would receive assistance at a level equal to that of the former state if less than Pennsylvania's. Felony/misdemeanor offenders would be eligible only if they are in compliance with parole. Sanctions for non-compliance with work-related activities would include, first, loss of benefits for a minimum of 30 days followed by a minimum sanction of 60 days for the second violation, and permanently for a third. Sanctions occurring during the first 24 months of AFDC would affect only the adult; after 24 months, the sanction would be imposed on the whole family. An employed person who reduces his earnings by not fulfilling the work requirement would have his grant reduced by the dollar value of the income had he met the requirement. An individual convicted of fraud would be ineligible for 6 months after the first conviction, 12 months after the second and permanently for a third.</p>		<p>State has decided not to implement previously approved Pathways project in Lancaster County (see Approved section). Governor's initiative passed Senate and passage expected in the House.</p>

STATE	INITIATIVE	KEY DATES	COMMENTS
Puerto Rico	Territory-wide, would require children to attend school.		Phone call with agency staff 4/17/96. Draft proposal received 5/13/96.
South Dakota	Would provide one-time up-front diversion payments in lieu of AFDC benefits.		Phone call with State 4/11/96. Will send draft materials soon.
West Virginia	Would require development of a personal responsibility contract, including child immunization and school attendance requirements and parenting classes and time-limit assistance based on time-frame for achieving goals; make cash assistance available if under 24 percent of Federal Poverty Guidelines and provide wage supplementation for families between up to 60 percent of Federal Poverty Guidelines; limit exemptions from work requirements, but provide alternative activities for "marginally capable"; base benefits on a pay-for-performance; require minors to live in an adult-supervised setting and participate in mentoring program; increase resource limit to \$2000 and exempt one vehicle; and provide up front diversion payment in lieu of AFDC.		Governor signed welfare reform bill. Conference call with State staff held 5/24/95. Expect waiver application soon.

ANTICIPATED

Arkansas	Would time-limit AFDC to 2 years followed by public service employment.		Proposal being developed by State has been expected since March.
California	Statewide, would time-limit AFDC benefits to 2 years; terminate link between payment and family size (flat grant); pay vouchers in lieu of cash benefits to teen parents; and eliminate marriage penalty.		Expect Senate to vote on welfare reform bill supported by Governor.
California	Would expand applicant job search.		Proposal being developed for implementation in Riverside county.

MAY-31-1996 18:52 FROM HHS/ACF/OPRE TO UH/D, FORTUNA P. 27/30

STATE	INITIATIVE	KEY DATES	COMMENTS
Illinois	Would require community work as a condition of receipt of welfare after a case has received assistance beyond a given time limit. Chicago likely pilot site.		State staff developing proposal.
Massachusetts	Would eliminate face-to-face redetermination for least error-prone cases, not increase Food Stamps benefits for sanctioned AFDC recipients and increase auto asset limit. Would impose full-family sanction for non-cooperation with paternity establishment.		State had been considering applying for waivers to implement these proposals. Governor announced proposal.
Nevada	In addition to welfare reform provisions described in Pre-Application Contact section, would adopt recommendations of welfare reform task force limiting benefits to 2 years in a 5 year period, with extensions for good cause.		Governor to send task force proposal to Legislature when it reconvenes in January 1997. Application for these waivers not expected until passage of State legislation.
Rhode Island	Description not yet available.		Governor introduced package expected to pass legislature.
South Dakota	Description not yet available, but concerns grant diversion.		
Utah	Would time-limit benefits to three years and expand Single-Parent Employment Demonstration statewide. Other details not yet available.		Welfare reform bill passed by both houses of legislature.

STATE	INITIATIVE	KEY DATES	COMMENTS
Wisconsin	Statewide, would implement W2 Program which would eliminate entitlement to cash benefits; in lieu of tying benefit payments to family size, would place individuals in jobs or in one of three jobs programs with different benefit levels: subsidized jobs, trial employment, community service or transitional placement; time limit benefits for participants to 24 months/5 year lifetime, with limited extensions; increase resource limit to \$2500 and vehicle equity limit to \$10,000; replace AFDC-related Medicaid coverage with health plan covering families with income below 200% of the Federal Poverty Level (FPL) that spend down to 165% of FPL which also requires co-payments; and allow Department of Industry, Labor and Job Development to contract with other private or public agencies to administer W2 if a county opts not to administer the program.		Governor signed legislation. Application for parts of W2, described as amendments to currently operating projects which would provide a bridge to fuller W2 implementation received (see received section). Application for waivers to implement W2 expected this summer. SEE RECEIVED SECTION I - Application for W-2 just received 5/29/96.

ADDENDUM - COMMENTS RECEIVED FROM ORGANIZATIONS, CONGRESS, STATE LEGISLATURES

California (3/14/94 request)	26 members of the State's Congressional wrote to oppose because the proposed benefits cuts do not serve an AFDC program objective and because the proposal has been previously rejected by the State Legislature and voters. State Assemblymen Bates and Vasconcellos also wrote raising the latter issue. Congressman Matsui also opposes imposition of financial penalty on families without regard to their ability to work. State Senator Matson opposes claiming that previous benefit cuts have actually been associated with decreased work activity. The Speaker of the Assembly (Brown) and Senate President Pro Tempore (Lockyer) have asked us to defer consideration of the proposal until the Legislature or voters approve it. Children Now opposes because it punishes children without helping families find work, ignores the will of State voters and because cuts in baseline benefits would restrict resources available to enact President's welfare reform initiative. Children's Defense Fund opposes severe benefit cuts, family cap, unreasonableness of time limit and asserts that a proposal with such potential harm should not be tested statewide. California Homeless and Housing Coalition also opposes.
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California (11/9/94 request)	A large number of organizations, including the California Catholic Conference, Children Now, and the Child Law Center, have written to oppose the family cap.
Illinois (Paternity)	Legal Assistance Foundation argues that the Paternity demo would not allow due process, or provide for confidentiality, or protect adequately against domestic violence, and holds proof and verification of sexual crimes to a higher standard than similar provisions granted waivers by DHHS.
Illinois (Work and Responsibility)	Legal Assistance Foundation wrote concerned about the potential hardships imposed on clients by State-committed errors in the reporting and computerization of work and wages in connection with the central imposition of sanctions for apparent failure of clients to report wages discovered from the cross-match.
Kansas	NOW Legal Defense and Education Fund wrote opposing the family cap.
Pennsylvania (School Attendance)	Community Legal Services (Philadelphia) wrote to oppose because of State's gross underfunding of administration dooms project and insures arbitrary punitive results; application fails to lay out grounds for "good cause" absences and attendance policies not uniform across school districts; site selection might have disparate racial impacts; potential of church-state violations; risk of ideologically biased third party evaluator; and failure to consult Education Department and school districts about plan.

8/23

Minnesota

Governor Arne Carlson's (R) letter to the President threatening to implement welfare residency requirements in Minnesota even if the federal government does not grant it a waiver to do so has hit the press. Minnesota submitted a waiver application for its program in March. The state wants to pay newly arrived welfare recipients at a lower rate for the first year of their residence in Minnesota. Carlson wrote that "if we are not granted this waiver, I will consider the possibility of implementing those reforms without your approval. I would like to avoid that contingency but we have few other options."

4/26

Wisconsin

Gov. Tommy Thompson (R) signed into law yesterday his Wisconsin Works (or W-2) program designed to end welfare in the state by the year 2000 calling it "the biggest change in social policy in this country in 50 years." It would replace AFDC with job placement and training services for an estimated 53,200 of the state's 65,000 welfare recipients. After two consecutive years or a lifetime total of five years, W-2 participants will be dropped from the program. Counties and private agencies will work with welfare parents to match them to jobs. The state expects nearly 8,000 to find unsubsidized jobs paying an average of \$5.99 an hour, 26,600 will get subsidized community service jobs at \$3.19 an hour and 13,300 will receive transitional jobs paying \$2.98 an hour.

Rep. Steve Gunderson has notified Republicans in his district that he will not seek re-election, a decision he originally announced in 1994. In a statement Gunderson said that while "hundreds of people across this district, this state and this country have asked me to run again for Congress ... I would not participate in a primary that divided this party." Republicans have been unable to convince former state legislator James Harsdorf to bow out of the Republican primary in deference to Gunderson. Gunderson said in 1994 that it would be his last campaign.

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P. 1A

Police say tougher curfew not needed

Clinton proposal would be difficult to enforce, officers say

By TOM HEINEN
of the Journal Sentinel staff

Area police officials Thursday gave a cool reception to President Clinton's call for tougher teen curfews, saying a deadline of 8 p.m. would be unnecessary, unpopular with parents and difficult to enforce.

"I found the president's

proposal is replete with election-year rhetoric," said Whitefish Bay Police Chief Cary Mikulec, who added his reaction had nothing to do with partisan politics.

"What I am seeing here is the federal government trying to impose restrictions nationwide to capture a small group

Please see CURFEW page 6

Milwaukee enforcement program faces uncertainty..... 6A

Clinton says tough curfew shows love of children..... 6A

Curfew/Police question proposal

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From page 1

of hoodlums and crooks, which penalizes the good juveniles, which is your largest group of kids," he added.

Speaking in New Orleans Thursday, Clinton embraced a Justice Department report that recommended an 8 p.m. school night curfew for those younger than 17.

The report also calls for a curfew center to receive violators, fines or community service sentences for repeat offenders, and counseling for offenders' families.

Clinton endorsed tough curfews to fight teen crime, noting that in New Orleans, a strict dusk-to-dawn curfew is credited with reducing juvenile crime by 27% during curfew hours.

But several area law enforcement officials say existing curfews of 10, 10:30 or 11 p.m. already do what they're supposed to.

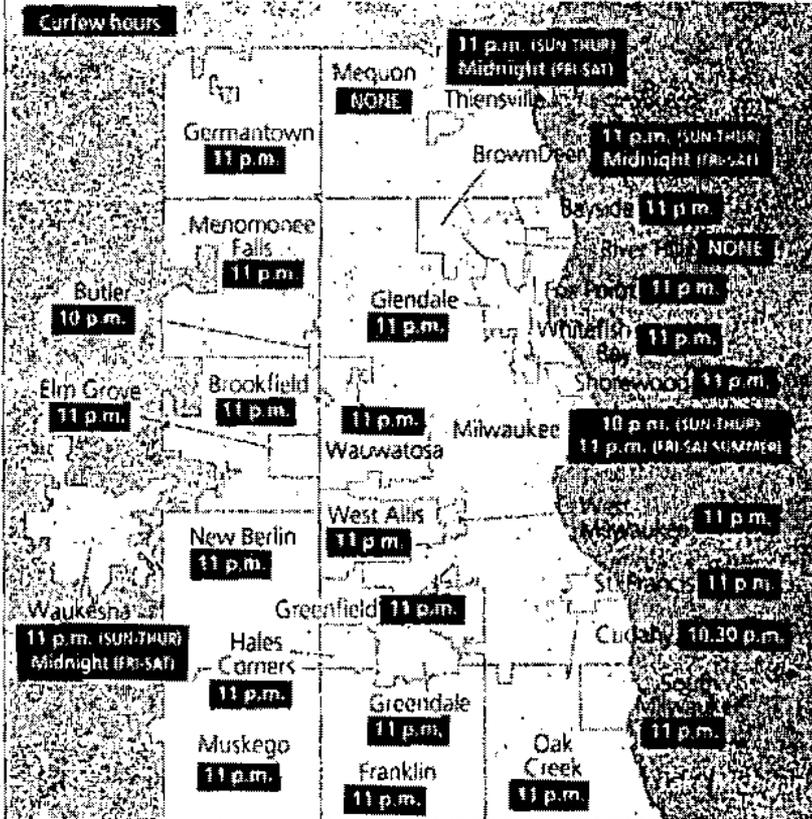
"I personally feel an 8 o'clock curfew would be unenforceable," said West Allis Police Chief John Butorac. "I don't see what the benefit of 8 o'clock is. It would turn into a baby-sitting service. Have a curfew for the parents — maybe that would solve some of the problems."

"We have an 11 o'clock curfew, but it's based on receiving calls about other problems — if we get a call from a restaurant owner or out on Highway 100," he added. "We don't just go out there and pull kids over for curfew violations. Ninety percent of the kids are doing something legitimate."

Added West Bend Police Chief James Schwartz: "If something like (an 8 p.m. curfew) were to go into effect, it's all officers would be doing. ... I'm

Milwaukee area curfew hours

Most communities in the Milwaukee area have curfews, but they are much later than President Clinton's proposed 8 p.m. curfew for school nights.



Times are for all days of week unless indicated. Source: Wisconsin Office of Justice Assistance; local municipalities. JOHN PINCHARD/Journal Sentinel

sure that this community wouldn't accept that."

Waukesha Police Chief Thomas Stigler said parents would react negatively to a curfew as early as 8 p.m.

"We talked about a 10 p.m. curfew when we instituted ours, and that didn't go over well," he said. "With 8 o'clock, you'd really have an uprising."

Stigler said the city's current 11 p.m. curfew is enforceable only because most parents cooperate with police in making sure their kids are home.

Milwaukee police officials declined to comment about Clinton's call for strict curfews.

Teens Don't Like It

Not surprisingly, area teens also weren't ecstatic about the idea.

"It isn't even dark at 8 o'clock, you'd really have an uprising."

Thomas Stigler,
Waukesha police chief
"We talked about a 10 p.m. curfew when we
instituted ours, and that didn't go over well. With 8
o'clock, you'd really have an uprising."



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clock," protested Joe Marciniak, 17, a senior at St. Francis High School.

Jodilynn Herte, 18, a senior at Milwaukee's Marshall High School, said, "I understand he wants to fight crime, but there's got to be other ways than an 8 o'clock curfew. Most things like movies and concerts don't get going until 7."

Added John Vitamvas, 18, of Glendale and a senior at Nicolet High School: "For kids who

really serious, although you hear about the serious ones."

She added: "I think this is completely political and Clinton should be ashamed of himself."

Even though breaking curfew is a violation of local ordinances, police say ticketing a kid for breaking the law is usually a last resort. In many communities, juveniles who are stopped after curfew often are turned over to their parents rather than arrested and issued a citation.

Not a Roundup

Wauwatosa Police Capt. John Walkner, who supervises all officers on the streets, said officers issued eight curfew citations last year. He said his city's 11 p.m. curfew has never been intended to be used "as a wholesale roundup for kids who just happen to be out."

Greenfield Police Chief Francis Springob said his officers use discretion in issuing citations for curfew violations, partly because of civil rights considerations. He recalled that when he was an officer on the street, he routinely stopped youths after curfew, but he's not sure he ever issued any citations.

Sometimes a curfew can be a bigger help to parents than it is to police.

"It's used selectively" to question youngsters who are "at a bad place at a bad time," said New Berlin Lt. William Miller.

More than anything, though, the city curfew gives parents an excuse to set be-home-by limits for their children, Miller said, adding, "They use us, and that's OK."

Laurel Walker, Kenneth R. Lamke and Gary Rummel of the Journal Sentinel staff contributed to this report.

haven't had problems, it's ridiculous. I think it should be up to the parents to decide when they should be home."

Eleanor M. Miller, associate professor of sociology at the University of Wisconsin-Milwaukee and a specialist in criminal justice, said an 8 p.m. curfew would likely reduce juvenile crime, but she questioned the value of such a move.

"It makes sense to me that if you restrict people's freedom, the crime rate will go down," she said. "But the cost is huge. The cost of having police pick people up for curfew violations is not the way I'd like to see my tax dollars spent."

"The returns would be modest," Miller added. "Most of the crimes that kids commit are not

THE WHITE HOUSE

WASHINGTON

Facsimile from Diane Ikemiyashiro
Office of Presidential Letters and Messages

Voice: (202) 456-5519 FAX: (202) 456-5426

Number of Pages (including cover): 2

Date: 6.3.96

Time: 5:45

To: Bruce Reed

Voice: 6.6515

FAX: 6.5557

incoming letter(s) from: ^{Gen.} Arne Carlson - Minnesota
re: MN's welfare wiver request.

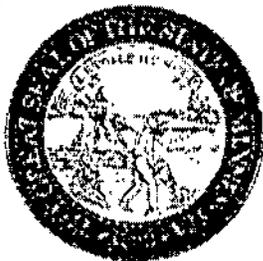
for your review

per my e-mail or voice-mail message to you

per your request

Additional comments:

169208



STATE OF MINNESOTA

OFFICE OF THE GOVERNOR

SAINT PAUL 55155

612-296-3361

ARNE H. CARLSON
GOVERNOR

May 22, 1996

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I write to urge your Administration to grant immediate approval to a welfare reform waiver submitted by the state of Minnesota.

The waiver would allow Minnesota to require welfare applicants to live in Minnesota for 30 days before receiving benefits. It would allow Minnesota to pay welfare recipients who move into Minnesota at the same rates as the states they left, for one year. It would also allow Minnesota to pay vendors, rather than welfare recipients, for services like rent and utilities for six months.

These reforms would help protect Minnesota taxpayers from those who would take advantage of them by moving to Minnesota solely for our welfare benefits. They would help stem welfare migration to Minnesota. They would also provide more accountability to a system which needs it without hurting any children or single mothers now on the rolls.

In a recent meeting with top officials from your Department of Health and Human Services, we were given strong indication that this request would be denied. Quite frankly, I am baffled by the disconnect between what you have said publicly about welfare reform and the actions within your Administration.

First of all, the federal government approved a waiver for a nearly identical provision in Wisconsin. If a provision is satisfactory and legal in Wisconsin, it should be satisfactory and legal in Minnesota. But in a conversation with me, your Health



May 22, 1996

Page Two

and Human Services Secretary, Donna Shalala, said very clearly that this is a matter for the Justice Department, where I fear, our waiver request will eventually be strangled by legal red tape.

Then, in a public address, you endorse the State of Wisconsin's current welfare reform proposal. But, one of your deputies is quoted in the Washington Post as citing the need for significant changes in the Wisconsin plan.

Allow me a blunt question, Mr. President. How many different voices are there in the Clinton Administration on welfare reform? I trust that the one voice which will prevail will be yours. Your own statement, earlier this week, called on states to "keep on sending me strong welfare reform proposals and I'll keep signing them."

Your Administration appears to be in direct conflict with these statements. With regard to Minnesota's request for waivers, actions do speak louder than words. If we are not granted this waiver, I will consider the possibility of implementing these reforms without your approval. I would like to avoid that contingency, but we have few other options.

Please work with the state of Minnesota to provide real reform. I again urge you to reconsider and to grant Minnesota the waiver it needs. I look forward to your response.

Warmest Regards,



ARNE H. CARLSON
Governor

5/28/96

Events

policy effects--tended to exaggerate the growth rate of Medicare benefits. When adjustments for these factors are taken into account, the gap between the Medicare and private health insurance spending narrows considerably, to 5.6% per enrollee for Medicare and 3.6% per enrollee for private health insurance.

Welfare Proposal for Utah: Utah's proposal, which would amend the current Single Parent Employment Demonstration (SPED), is in the final stage of Departmental review and may be approved in the next few weeks. These amendments would require preschool children to be immunized and other children to attend school. These provisions would initially be limited to one site and later expanded to other SPED sites.

• **LA County:** On May 21, HHS representatives met with representatives from LA County and the State of CA in Washington, D.C. to discuss the next phase of the county's Section 1115 demonstration project. The meeting was very productive. All parties agreed on a process to develop a comprehensive restructuring plan for the county's health care system and made good progress toward agreeing on modified terms for the second year of the waiver.

• **Medicare Trustees' Report To Be Released:** On June 5, the Annual Report of the Board of Trustees for the Hospital Insurance Trust Fund and the Supplementary Medical Insurance Trust Fund will be released.

• **New Treatment for Pancreatic Cancer:** On May 15, FDA approved Eli Lilly and Co.'s Gemzar, for treatment of patients with inoperable pancreatic cancer. Pancreatic cancer affects about 27,000 people each year.

• **Budget Cuts:** This week, the Administration for Children and Families' Family and Youth Services Bureau notified 191 grantees that, due to budget cuts by Congress, there are no resources to provide continuation funding for their programs. These grantees are recipients of funds through the Youth Gang Drug Prevention Program, the Community Schools Program and the Drug Abuse Prevention Program for Runaway and Homeless Youth.

• **Alabama Disproportionate Hospital Payment Update:** On May 16, HCFA staff and HHS counsel met with officials from AL to discuss options for resolving the State's funding problems caused by inappropriate DSH payments, which may involve illegal provider donations.

• **Baltimore Area to Test Medicare Managed Care Competitive Pricing:** Baltimore will be the first metropolitan area to test a new competitive pricing process for setting Medicare's payment rates to managed care plans that serve Medicare beneficiaries. Through the demonstration, plans will submit bids for providing Medicare benefits and HCFA will use the bids to set the Medicare payment rates to the plans. All plans that want to continue to serve Medicare beneficiaries in the Baltimore area must participate

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**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996**

STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Arizona</p> <p>Employing and Moving People Off Welfare and Encouraging Responsibility Program</p>	<p>Statewide, EMPOWER (Employing and Moving People Off Welfare and Encouraging Responsibility) establishes a time limit on adult AFDC benefits of 24 months in any 60-month period. Additional welfare benefits will not be provided to families for children conceived while on AFDC or within 12 months after leaving AFDC, if the family later reapplies for benefits.</p> <p>Families can put aside \$100 a month in Individual Development Accounts, up to \$9000, for training and education. Transitional Child Care and Medicaid will be extended from 12 months, as currently allowed, to 24 months after leaving AFDC.</p> <p>An additional 3-year pilot project will operate in the Casa Grande, Eloy, and Coolidge areas of Pinal County. The pilot will provide work experience by placing participants in subsidized jobs for 9 to 12 months, funded by AFDC grants and cashed-out food stamp allotments; months spent in a subsidized job will not count toward the time limit. All child support collections will be passed through to the family, without affecting eligibility.</p>		<p>Date received: 8/3/94</p> <p>Date approved: 5/22/95</p>
<p>Arkansas</p>	<p>Under Arkansas' demonstration (in two-thirds of its counties), AFDC parents age 16 or younger will be required to attend school regularly or face reductions in benefits if they fail to do so. If appropriate, teenage parents can meet the requirement by attending an alternative educational program. In addition, Arkansas will implement a policy of not increasing AFDC benefits when additional children are born into a family receiving welfare. Family planning and group counseling services focusing on the responsibilities of parenthood will be included in the demonstration.</p>		<p>Date received: 1/14/93</p> <p>Date approved: 3/5/94</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996**

STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>California</p> <p>Work Pays Demonstration Project (WPDP) Amendments</p>	<p>Statewide, California's demonstration will encourage teenage AFDC parents to regularly attend school by paying them a \$100 cash bonus for maintaining a C average, and \$500 for ultimately graduating from high school. Teenage parents who fail to maintain a D average can have their AFDC payments reduced by up to \$50 a month for two months. The demonstration will also permit AFDC families to accumulate \$2,000 in assets and have \$4,500 equity in a car. In addition, families will be able to deposit \$5,000 into savings so long as the funds are used to purchase a home, start a business, or finance a child's post-secondary education or training. Finally, the demonstration will allow recipients who work -- but who have low AFDC benefits -- to opt out of the program. They will remain eligible for health care under Medi-Cal as well as other services, such as child care, which are available to AFDC recipients.</p>		<p>Date received: 9/29/93</p> <p>Date approved: 2/28/94</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996**

STATE	DESCRIPTION	STATUS	TIMEFRAME
AFDC and Food Stamp Compatibility Demonstration (AFDC/FS) Project	Statewide, the "AFDC and Food Stamp Compatibility Demonstration Project," makes rules for welfare and food stamp eligibility more uniform. Both AFDC and food stamp recipients with self-employment income can deduct 40% of that income in determining eligibility and benefit amounts. Participants in both programs can also exclude college assistance and work-study funds from the resource limit, and can exclude up to \$100 in gift income each quarter. In addition, AFDC and Food Stamp participants may deduct \$4,500 from the equity value of a vehicle when figuring resources, and California counties have more flexibility in determining the method of setting the equity value.		Date received: 5/23/94 Date approved: 4/11/95
School Attendance Demonstration Project	Pilot project in San Diego requires AFDC recipients ages 16-18 to attend school or participate in JOBS.		Date received: 2/5/94 Date approved: 12/6/95
California Incentives to Self-sufficiency Demonstration	Statewide, requires 100 hours CWEP participation per month for JOBS mandatory individuals who have received AFDC for 22 of the last 24 months and are working fewer than 15 hours per week after two years from JOBS assessment and; have failed to comply with JOBS without good cause, have completed CWEP or are in CWEP less than 100 hours per month, or have completed or had an opportunity to complete post-assessment education and training; provide Transitional Child Care and Transitional Medicaid to families who become ineligible for AFDC due to increased assets or income resulting from marriage or the reuniting of spouses; increase the duration of sanctions for certain acts of fraud.		Date received: 12/28/94 Date approved: 9/11/95
Work Pays Demonstration Project (WPDP) Amendments	Statewide, project would amend Work Pays Demonstration Project by adding provisions to: reduce benefit levels by 10% (but retaining the need level); reduce benefits an additional 15% after 6 months on assistance for cases with able bodied adult; time-limit assistance to able-bodied adults to 24 months, and not increase benefits for children conceived while receiving AFDC.	Key Issues: * Time-based benefit reduction not tied to ability to find work. Status: Informed they will soon submit amendments to proposal & ask us to move forward with review.	Date received: 3/14/94 120 days: 7/12/94 Currently holding at state request.

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996**

STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Assistance Payments Demonstration Project (Amendment) (APDP)</p>	<p>Statewide project would amend the Assistance Payments Demonstration Project by: exempting certain categories of AFDC families from the state's benefit cuts; paying the exempt cases based on grant levels in effect in California on August 1, 1992; and renewing the waiver of the Medicaid maintenance of effort provision at section 1902(c)(1) of the Social Security Act, which was vacated by the Ninth Circuit Court of Appeals in its decision in <u>Beno v. Shafala</u>.</p>	<p>Key Issues: * Benefit cut below May 1988 level; may include groups who cannot respond to benefit cut as a work incentive.</p> <p>Status: Governor sent letter 7/14/95 demanding immediate approval of this and all pending proposals. Subsequently received letter from State 8/24/95 responding to issues we raised 5/23/95, but which left issues unresolved.</p>	<p>Date received: 8/26/94</p> <p>120 days: 12/24/94</p> <p>Had held earlier at state request</p>
<p>Work Pays Demonstration Project (Amendment) (WPDP)</p>	<p>Statewide, would not increase benefits for children conceived while receiving AFDC.</p>	<p>Key Issues: * Family cap</p> <p>Status: Draft terms and conditions sent to state 8/2/95 which they found unacceptable. Have not been able to resolve issues.</p>	<p>Date received: 11/9/94</p> <p>120 days: 3/9/95</p>

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
Colorado Personal Responsibility and Employment Program	This waiver includes a number of major revisions to the state's AFDC program. The demonstration will operate in five counties. Under the demonstration, parents who are able to work or able to participate in a training program must do so after receiving AFDC benefits for two years. Individuals who refuse to perform the assignments can face a loss of AFDC benefits. Additionally, the demonstration will "cash out" Food Stamps for participants, meaning that the value of the coupons will be added to the monthly AFDC payment. Asset levels and rules pertaining to ownership of an automobile will also be changed.		Date received: 6/30/93 Date approved: 1/15/94

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Delaware</p> <p>A Better Chance</p>	<p>Under Delaware's "A Better Chance" demonstration, all AFDC participants will be required to sign and comply with a Contract of Mutual Responsibility. The contract will specify employment-related activities as well as other activities leading to self-sufficiency.</p> <p>Statewide, the demonstration sets a time limit of 24 months on cash benefits for able-bodied adults over 19 years old followed by up to 2 years of participation in a pay-after-performance work program, with extensions possible. It also requires teen parents to live in an adult supervised setting, attend school, participate in parenting and family planning education, and immunize their children. Incentives include a \$50 bonus paid to teens who graduate from high school and the receipt of an additional 12 months of transitional child care and Medicaid benefits to help parents move to work. A non-time-limited children's program provides for cash benefits to families not subject to the time limits.</p> <p>Gradual sanctions can lead to the family losing benefits if participants fail to meet education and employment requirements. Parents will not receive an increase in AFDC payments for additional children conceived while the family is on assistance. Participants who do not cooperate with child support enforcement will be denied benefits. In addition, non-custodial parents can participate in JOBS and resource limits are increased.</p>		<p>Date received: 1/30/95</p> <p>Date approved: 5/8/95</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Florida</p> <p>Family Transition Program</p>	<p>Florida is implementing a "Family Transition Program" for AFDC recipients in two counties. Under the plan, most AFDC families will be limited to collecting benefits for a maximum of 24 months in any 5-year period. Individuals who exhaust their transitional AFDC benefits, but are unable to find employment, will be guaranteed the opportunity to work at a job paying more than their AFDC grant. The demonstration also provides a longer period of eligibility -- 36 months in any 6-year period -- for families who are at a high risk of becoming welfare dependent. Medicaid and child care benefits will be available in the demonstration. Local community boards will play a large role in overseeing the program. Other elements of the demonstration include an increase in the earnings disregard formula and asset ceilings, as well as a statewide requirement that AFDC parents must ensure that their children have been immunized.</p>		<p>Date received: 9/21/93</p> <p>Date approved: 1/27/94</p>
<p>Family Transition Program Expansion</p>	<p>The "Family Transition Program Expansion," which extends the project to six additional counties, was the first to be reviewed under a "fast-track" 30-day period. Counties eligible for participation are Lee, Duval, Pinellas, St. Lucie, Orange, and Volusia Counties. It will operate for eight years.</p>		<p>Date received: 8/2/95</p> <p>Date approved: 9/6/95</p>
<p>Florida's Family Responsibility Act</p>	<p>Statewide, would require dependent children and caretaker relatives under age 18 to remain in school; pay half the AFDC benefit increment for the first child conceived by an AFDC recipient and provide no cash benefits for a second or subsequent child; exclude from the AFDC budget child support payments for children subject to the family cap; require AFDC recipients not participating in JOBS or actively seeking employment to engage in 20 hours per week of community employment or work experience.</p>	<p>Key issues: *Family Cap *Evaluation *Work Requirements</p> <p>Status: Sent State list of issues and questions 1/22/96. Waiting for response.</p>	<p>Date received: 10/4/95</p> <p>120 days: 2/3/96</p>

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996

STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Georgia</p> <p>"Personal Accountability and Responsibility Project" (PAR)</p>	<p>Statewide, this project strengthens Federal work requirements that must be met in order to receive cash benefits. Georgia's welfare agency will now be able to exclude from an AFDC grant any able-bodied recipient between the age of 18 to 60 who has no children under the age of 14 and who willfully refuses to work or who leaves employment without good cause. The rest of the family will continue to be eligible for AFDC benefits. The plan will also allow the state to deny additional cash benefits for additional children born after a family has been on welfare for at least two years if the child was conceived while the family was on welfare. However, PAR would allow recipients to "earn back" the denied benefits through the receipt of child support payments or earnings. Medicaid and Food Stamps eligibility will continue for all family members. In addition, Georgia will offer family planning services and instruction in parental skills to AFDC recipients.</p>		<p>Date received: 5/18/93</p> <p>Date approved: 11/2/93</p>
<p>Work for Welfare Project</p>	<p>In 10 pilot counties would require every non-exempt recipient and non-supporting parent to work up to 20 hours per month in a state, local government, Federal agency or nonprofit organization; extends job search; and increases sanctions for JOBS noncompliance. On a statewide basis, would increase the automobile exemption to \$4,500 and disregard earned income of children who are full-time students.</p>		<p>Date received: 6/30/94</p> <p>Date approved: 10/6/95</p>
<p>Jobs First</p>	<p>In 10 pilot counties would encourage participant employment with tax credits and incentive payments to employers, and extend transitional Medicaid coverage to 24 months after ineligibility due to excess earnings. Statewide, would eliminate 100-hour rule for AFDC families.</p>	<p>Key Issues: *Evaluation *Sanctions</p> <p>Status: List of issues and questions sent to State 1/19/96. Waiting for reply.</p>	<p>Date received: 7/6/95</p> <p>120 days: 11/5/95</p> <p>State asked in September that project be put on hold but recently asked to move forward again.</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Hawaii</p> <p>Creating Work Opportunities for JOBS Families (CWOJF)</p> <p>Families Are Better Together</p>	<p>Programs, job-ready JOBS recipients who would otherwise expect to wait at least three months to be placed in a regular education or training activity are required to pursue job leads developed by JOBS program specialists. The positions are part-time (up to 18 hours per week) private sector jobs at minimum wage, and will allow participants to gain work experience, develop their skills, and better target training needs.</p> <p>Statewide, would eliminate 100-hour, attachment to the work force, 30 day unemployment and principal wage earner criteria for AFDC-UP families.</p>	<p>Key Issues: * Evaluation</p> <p>Status: Draft terms and conditions sent to State but they chose not to move forward with project pending consideration of amendments. State expected to submit major amendments expanding proposal by 2/1/96.</p>	<p>Date received: 11/3/93</p> <p>Date approved: 6/25/94</p> <p>Date received: 5/22/95</p> <p>120 days: 9/21/95</p> <p>State put on hold in August.</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Illinois Project Fresh Start</p>	<p>Statewide, the Work Pays component, added to the previously approved Project Fresh Start, encourages employment and thereby self-sufficiency by enabling recipients to keep more of their earnings than is normally allowed. The state will disregard two of each three dollars earned for as long as recipients continue working.</p>		<p>Date received: 8/2/93</p> <p>Date approved: 11/23/93</p>
<p>School Attendance Demonstration</p>	<p>Statewide, would require the participation in a plan for poor elementary school attendance and, upon continuation of poor attendance, the establishment of protective payee, progressing to the removal of the caretaker's portion of the AFDC grant.</p>		<p>Date received: 7/18/95</p> <p>Date approved: 10/2/95</p>
<p>Work and Responsibility Demonstration</p>	<p>The demonstration includes six components, five of which will be implemented statewide. 1) Target Work Initiative--would limit receipt of AFDC benefits to a total of 24 months without earnings for households whose youngest child is at least 13 years of age; any month with budgeted income due to employment will not be counted toward the 24 months time limit. 2) Get a Job Initiative--new applicants determined to be job ready, and whose children are between 5 and 12 years, will be required to participate in job search for up to six months. 3) Family Accountability--assistance payments will not be increased as a result of the birth of children conceived while the parent is receiving assistance. 4) Job Track--exempt volunteers for JOBS will become subject to the same requirements and sanctions as non-exempt participants; participation in basic education or GED programs will be limited to 2 years unless the individual is working or participating in an approved work activity. 5) Self-sufficiency Plan--all</p>		<p>Date received: 7/18/95</p> <p>Date approved: 10/2/95</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Six-month Paternity Establishment Demonstration</p>	<p>condition of eligibility. 6) Quarterly Budgeting--in selected sites, cases with earned income will be required to report income quarterly; the information will be used to prospectively budget income for the next quarter. Failure to report earnings in case closure and overpayment recovery.</p> <p>Note: Continuing to discuss with State adding provision of full-family sanction to cases not reporting earned income.</p> <p>In 20 counties would require the establishment of paternity within 6 months of application or the redetermination as a condition of AFDC and Medicaid eligibility for both mother and child; would deny Medicaid to children aged 7 and under, exclude children filing rules, and exempt Department from making protective payments to eligible children, when custodial parent has not cooperated in establishment of paternity; delegate the establishment of paternity in uncontested cases to caseworkers who perform assistance payment or social service functions under Title IV-A or XX.</p>	<p>Key Issues: * Sanction tied to paternity establishment rather than cooperation in establishing child support.</p> <p>Status: Conference calls with State 12/6 and 12/14/95. Further discussions scheduled with State to resolve issues.</p>	<p>Date received: 7/18/95</p> <p>120 days: 11/17/95</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Indiana</p> <p>Impacting Families Welfare Reform Demonstration Project</p>	<p>Under this program, at any point in time, up to 12,000 job-ready individuals will be assigned to a "Placement Track" and receive help in job search and placement. Once on this track, AFDC benefits will be limited to 24 consecutive months. The time limit applies to adult benefits only; children's benefits will not be affected. Case management and supportive services will continue for a period after AFDC benefits end. For all recipients who become employed, earnings will be disregarded in determining Food Stamp benefits for the first six months. There will be increased sanctions for quitting a job or for failure to comply with program requirements. There will also be fewer exemptions from current JOBS participation requirements. Another provision will extend subsidies to employers who hire welfare recipients for a maximum of 24 months. A family benefit cap provision will disallow additional AFDC benefits for children conceived while on AFDC although the child will be eligible for Medicaid. Children will be required to attend school and be immunized. IMPACT is a statewide waiver that will operate for seven years.</p>		<p>Date received: 6/21/94</p> <p>Date approved: 12/15/94</p>
<p>Impacting Families Welfare Reform Demonstration Project - Amendments</p>	<p>Statewide, would impose a lifetime 24-month limit on cash assistance and categorical Medicaid eligibility (12 months for resident alien); allow 1 month AFDC credit (to a maximum of 24 at any one time) for each 6 consecutive months full-time employment; count each month of AFDC receipt from another state within the previous 3 years as 1 month against the lifetime limit; restrict permissible "specified relatives" for AFDC children and minor parents; extend AFDC, Medicaid, and food stamp fraud disqualification penalties; provide a voucher equal to 50% of assistance amount for family cap for goods and services related to child care; divert AFDC grants to subsidize child care costs; establish an option for an employed AFDC recipient to receive guaranteed child care or an AFDC payment equal to the family's benefit before employment; require a child's mother to establish paternity as a condition of eligibility for the child and the caretaker; establish additional conditions of eligibility for AFDC; base CWEP hours on the combined value of AFDC and Medicaid assistance; make JOBS volunteers subject to the same sanctions as mandatory participants; continue eligibility for AFDC recipients until countable income reaches 100% of the federal poverty guidelines; expand voluntary quit definition and penalties; and count the income and resources of non-parent adults.</p>	<p>Key Issues: * Not yet determined</p> <p>Status: Expect to send State analysis paper by end of February.</p>	<p>Date received: 12/14/95</p> <p>100 days: 4/13/96</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Iowa</p> <p>Iowa Family Investment Plan</p>	<p>Statewide, Iowa is implementing a reform plan that will encourage AFDC and Food Stamp recipients to take jobs and accumulate assets through a program of "Individual Development Accounts." Funds deposited in an account can only be withdrawn to pay for education, training, home ownership, business start-up, or family emergencies. The current law which limits each family's assets to \$1,000 will be changed to allow each applicant to have up to \$2,000 in assets and each AFDC family to possess up to \$5,000 in assets. Additionally, the vehicle asset ceiling will rise from \$1,500 to \$3,000. Recipients will also be encouraged to work under a new formula which disregards 50 percent of their earnings in the calculation of benefits. For recipients lacking in significant work histories, all income will be disregarded during the first four months on AFDC. A Family Investment Program will be created for most AFDC parents, requiring them to participate in training and support services as a condition of AFDC receipt. Only parents with a child under 6 months old at home, those working at least 30 hours per week, and the disabled are exempt. Individuals who choose not to participate in the Family Investment Agreement will have their AFDC benefits phased out over six months and will not be able to reapply for another six months. Will provide 24 months of transitional child care to employed families 1) who voluntarily terminate their AFDC benefits and 2) whose AFDC benefits are terminated due to receipt of child support.</p>		<p>Date received: 4/29/93</p> <p>Date approved: 8/13/93</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Kansas Actively Creating Tomorrow for Families Demonstration</p>	<p>Statewide project would, after 30 months of participation in JOBS, make adults ineligible for AFDC for 3 years; replace \$30 and 1/3 income disregard with continuous 40% disregard; disregard lump sum income and income and resources of children in school; count income and resources of family members who receive SSI; exempt one vehicle without regard for equity value if used to produce income; allow only half AFDC benefit increase for births of a second child to families where the parent is not working and eliminate increase for the birth of any child if families already have at least two children; eliminate 100-hour rule and work history requirements for UP cases; expand AFDC eligibility to pregnant women in 1st and 2nd trimesters; extend Medicaid transitional benefits to 24 months; eliminate various JOBS requirements, including those related to target groups, participation rate of UP cases and the 20-hour work requirement limit for parents with children under 6; require school attendance; require minors in AFDC and NPA Food Stamps cases to live with a guardian; make work requirements and penalties in the AFDC and Food Stamp programs more uniform; and increase sanctions for not cooperating with child support enforcement activities.</p>	<p>Key Issues: * Time limit work without extensions or work for those who play by the rules.</p> <p>Status: Final package (without time-limit provisions) put in clearance 4/14/95. State still deciding whether they want to proceed with project.</p>	<p>Date received: 7/26/94</p> <p>120 days: 11/23/94</p> <p>State put on hold.</p>
<p>Louisiana Louisiana Individual Responsibility Project</p>	<p>Statewide, would limit AFDC benefits to 24 months out of a 60 month period with extensions where the individual has been actively seeking employment, where job availability is unfavorable, where the individual loses a job for factors unrelated to his job performance, or where individual requires up to one year to complete employment related education or training; require each child to attend school and be immunized or the child will be removed from the budget group; and applies a full family sanction where the parent has declined or refused an opportunity for full-time employment, without good cause.</p>	<p>Key Issues: *None</p> <p>Status: State cleared changed to draft terms and conditions 1/23/96. Expect to move into final clearance within next two weeks.</p>	<p>Date received: 11/21/95</p> <p>120 days: 3/20/96</p>

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Maine Project Opportunity</p>	<p>Statewide project would increase participation in Work Supplementation to 18 months; use Work Supplementation for any opening; use diverted grant funds for vouchers for education, training or support services; and extend transitional Medicaid and child care to 24 months.</p>	<p>Key Issues: * Provision of support services</p> <p>Status: Sent state a list of issues resulting from Federal review of the application 11/30; state's 1/12/95 response did not resolve. Received letter from Governor 4/28/95 indicating further action is on hold until Administration and Legislature may replace request with new proposal.</p>	<p>Date received: 8/5/94</p> <p>120 days: 11/29/94</p> <p>Complex issues. Staff spent substantial amount of time working with the state in an attempt to resolve the most difficult issues.</p> <p>State put on hold.</p>
<p>Welfare to Work Program</p>	<p>Statewide, would require caretaker relatives to sign a family contract; require participation in parenting classes and health care services; provide one-time vendor payments in lieu of AFDC for the purpose of obtaining/retaining employment; provide voucher payments to both married and unmarried minor parents; limit JOBS exemptions; expand eligibility for Transitional Medicaid and Child Care and replace sliding-scale fees with flat-rate fees; reduce Transitional Medicaid reporting requirements; disregard entire value of one vehicle; and apply any federal savings to the JOBS program services. In selected sites, implement ASPIRE-Plus, a work supplementation program cashing out food stamps and pass through all child support collected to families who participate in ASPIRE-plus.</p>	<p>Key Issues: * Non-waivable provisions * Medicaid Eligibility *Evaluation</p> <p>Status: Analysis paper and draft of T&C sent to Federal reviewers 10/13 and to State 10/19/95. Waiting for State response.</p>	<p>Date received: 9/20/95</p> <p>120 days: 1/19/96</p> <p>Waiting for State's response.</p>

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Maryland</p> <p>Family Investment Project</p>	<p>Maryland's "Family Investment Program" (FIP), under a pilot demonstration in Anne Arundel and Prince George's counties and parts of Baltimore, requires able-bodied AFDC applicants to participate in job search as a condition of eligibility. After six months of non-compliance, the case will be closed, resulting in denial of AFDC benefits for the entire family. Closed cases can be reopened only if applicant complies with JOBS for 30 days. Closed cases may receive up to three months of non-cash transitional assistance through a third party, such as a non-profit organization. Also under the pilot, the income of dependent children will not be counted in determining AFDC eligibility, and the resource and vehicle value limits will be raised to \$5,000. The principal wage earner in two-parent families can work more than 100 hours a month, and individuals sanctioned by Child Support Enforcement will be required to participate in JOBS. Families facing a short-term financial crisis can receive a one-time payment equal to three months of benefits rather than applying for AFDC.</p> <p>Statewide, FIP eliminates automatic benefit increases for additional children while receiving AFDC. The family can retain child support payments for the additional child, however, and the State will issue voucher payments for the purchase of goods for the child, up to the amount of increase the family would otherwise receive. Unmarried minor parents must reside with a parent or guardian and must attend family health and parenting classes.</p>		<p>Date received: 3/1/94</p> <p>Amendments received: 5/15/95, 5/23/95, & 5/26/95</p> <p>Date approved: 8/14/95</p>
<p>Massachusetts</p> <p>Welfare Reform '95</p>	<p>"Welfare Reform '95" provides jobs for recipients who cannot find work by combining AFDC and cashed-out Food Stamp benefits to be used for up to 12 months to subsidize private sector jobs. Employers will contribute to Individual Asset Accounts that will help recipients transition to non-subsidized employment. Earned income disregards and resource limitations will be increased, and transitional Medicaid benefits will be extended.</p> <p>Teen parents without high school diplomas must attend school, and must generally live with their parents. There are sanctions for parents who do not ensure that their children attend school or receive appropriate immunizations. There are no increases in AFDC benefits for additional children. There are stricter requirements for paternity establishment and child support, and sanctions for non-compliance.</p>		<p>Date received: 3/22/94</p> <p>Amendment received: 4/3/95.</p> <p>Date approved: 8/4/95</p>

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Michigan To Strengthen Michigan Families</p>	<p>Statewide, this expansion of Michigan's "To Strengthen Michigan Families" welfare demonstration requires AFDC recipients to participate in either the Job Opportunities and Basic Skills Training program (JOBS) or Michigan's "Social Contract" activities that encourage work and self-sufficiency. Michigan is also testing the requirement that AFDC applicants participate in job search by actively seeking employment while eligibility for AFDC is being determined. The demonstration also requires that pre-school-age children be immunized and disregards the value of one vehicle in determining eligibility. Additionally, in two counties, Michigan will evaluate mediation services to determine if this increases compliance with child support. The demonstration will extend previously approved waivers until October 1999.</p>		<p>Date received: 3/8/94</p> <p>Date approved: 10/5/94</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Mississippi</p> <p>A New Direction Demonstration Program</p>	<p>Mississippi's reform plan promotes health and education for children receiving welfare assistance and supports work efforts by their parents. The demonstration includes a statewide component and two projects, "Work First" in six counties, and "Work Encouragement" in two counties. The statewide component requires all children receiving AFDC aged six through 17 to attend school and those under age six to be immunized and receive regular health checkups. It also extends AFDC eligibility for two-parent families by allowing mothers or fathers to work more than 100 hours a month. The "Work First" component provides subsidized, private-sector employment for job-ready participants. In addition, each "Work First" participant will have an "individual development account" for family savings, to which employers will contribute one dollar per hour of work. The "Work Encouragement" component allows recipients to keep more of their earnings and still receive AFDC, by raising the earned income limit from 60 to 100 percent of state-established need levels. The "Work First" component will be implemented in Adams, Harrison, Jones, Lee, Hinds and Washington Counties. The "Work Encouragement" component will be implemented in Leflore and Oktibbeha counties.</p>		<p>Date received: 12/10/93</p> <p>Date approved: 12/22/94</p>
<p>A New Direction Demonstration Program (Amendments)</p>	<p>Mississippi's second demonstration, the New Direction Demonstration Project, denies additional AFDC benefits to children conceived while the family is receiving welfare. The child will be eligible for Medicaid and any income the family receives on behalf of the child will not be counted in determining the family's eligibility for AFDC. The benefit cap does not apply to first-born children or to children conceived as a result of rape, sexual assault, or incest. This second project provides incentives for school attendance and immunization and makes more two-parent families eligible for benefits. In six counties, AFDC and food stamp benefits can be used to supplement wages in private sector jobs, and in two other counties, higher income ceilings allow recipients to earn more before they lose their AFDC eligibility.</p>		<p>Date received: 2/17/95</p> <p>Date approved: 9/1/95</p>
<p>A New Direction Demonstration Program - Amendment</p>	<p>Would amend Work First Component (operating in six counties) of the Mississippi New Demonstration Project to provide transitional Medicaid and child care to AFDC families even if they have not received AFDC for at least three months; and permit JOBS sanctions to be imposed for exempt clients that volunteer for JOBS and then drop out without good cause.</p>	<p>Key Issues: *None</p> <p>Status: Expect to send State draft terms and conditions by 2/9/96.</p>	<p>Date received: 11/20/95</p> <p>120 days: 3/19/96</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Missouri</p> <p>Families Mutual Responsibility Plan</p>	<p>Statewide, "Missouri Families - Mutual Responsibility Plan" requires AFDC recipients to sign and fulfill a self-sufficiency agreement that establishes a plan for work and a two-year time limit on benefits. An additional period of up to two years may be allowed under certain circumstances.</p> <p>Individuals who are not self-sufficient by the end of the time period must participate in job search or work experience programs. Those who have received AFDC benefits for 36 months or more and have completed their agreement by leaving AFDC will not be eligible for further AFDC benefits, with good cause exceptions. Children's benefits are not affected.</p> <p>Minor parents must, with some exceptions, live with their parents or guardians. If they attend school full-time, they may keep all employment income. In some counties, non-custodial parents who volunteer for the state's JOBS program can receive a credit against child support arrearage.</p> <p>For two-parent families where at least one parent is under 21, the limit will be waived on the number of hours the principal wage earner can work. The resource limits will be increased for all families, and they may own one automobile, without regard to its value.</p>		<p>Date received: 8/15/94</p> <p>Date approved: 4/18/95</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Montana</p> <p>Families Achieving Independence for Montanans</p>	<p>Statewide, Montana's "Families Achieving Independence" has three components: Job Supplement Program, AFDC Pathways Program, and Community Services Program.</p> <p>The Job Supplement Program helps at-risk families avoid becoming dependent by providing a one-time payment of as much as three times the monthly AFDC payment the family would otherwise be eligible to receive. Child support collections will also be passed directly to the custodial parent.</p> <p>Other AFDC applicants must enroll in the AFDC Pathways component and sign a Family Investment Agreement that limits benefits to 24 months for one-parent families and 18 months for two-parent families, with exceptions. Income disregards and asset limits have been raised, and recipients must participate in JOBS, comply with child support enforcement provisions, and obtain medical screenings and immunizations for their children. Adults who do not leave AFDC by the end of the time limit must enroll in the Community Services Program and perform 20 hours of community work per week. Children's AFDC benefits are not time-limited, and they will continue to be eligible for Medicaid and food stamps.</p> <p>All participants must also choose between a reduced Medicaid benefit package and a partial premium payment towards a private health insurance policy. Full Medicaid coverage will be provided on an emergency basis when certain services are needed for employment purposes.</p>		<p>Date received: 4/19/94</p> <p>Date approved: 4/18/95</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Nebraska</p> <p>Welfare Reform Waiver Demonstration</p>	<p>Nebraska's demonstration has three components: a Non-Time-Limited Program, a Time-Limited High Disregards Program, and a Time-Limited Alternative Benefits Program. All will be implemented in Douglas and Sarpy Counties in 1995, with initial statewide expansion in 1996.</p> <p>In all three, recipients work with caseworkers to develop self-sufficiency contracts. There are no increases in benefits for children conceived while the mother is receiving AFDC, and benefits are reduced by \$50 if a parent does not make reasonable effort to see that a child under 18 stays in school. Resource limits have been raised to \$5,000.</p> <p>Under the Time Limited High Disregards and Time Limited Alternative Benefits programs, cash assistance is limited to 24 months in a 48-month period and all adult wage earners must participate in educational job skills training, job search, or employment. Those who leave welfare for work will be eligible for Medicaid and transitional child care for two years. The High Disregards program has lower benefits but increased earned income disregards. The Alternative Benefits program has somewhat higher benefits but no increase in earned income disregards.</p>		<p>Date received: 10/4/94</p> <p>Date approved: 2/27/95</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>New Hampshire Earned Income Disregard Demonstration Project</p>	<p>Statewide waiver. AFDC applicants and recipients would have the \$200 plus 1/2 the remaining earned income disregarded.</p>	<p>Key Issues: * None</p> <p>Status: State asked to hold their request.</p>	<p>Date received: 9/20/93</p> <p>120 days: 1/18/94</p> <p>Holding at state request.</p>
<p>New Hampshire Employment Program and Family Assistance Program</p>	<p>Statewide, would replace AFDC with Employment Program administered by both Employment Security Agency and Family Assistance Program; require job search for up to 26 weeks followed by work-related activities for 26 weeks; eliminate JOBS reporting requirements; require minors attending school to participate in work-related activities; eliminate JOBS services priority for volunteers, provision of transportation and other JOBS services and remoteness exemption; eliminate conciliation and apply JOBS sanction of 50% of AFDC benefits for three months followed by no payment for three months, allowing option to increase initial sanction up to 100%; exempt pregnant women from JOBS only during third trimester; require non-custodial parents to participate in JOBS; allow up to one year of transitional case management; eliminate gross income test; increase earned income disregard to 50%; eliminate AFDC-UP eligibility requirements; raise resource limit to \$2,000 and exclude one vehicle; pass through child support directly to family without \$50 disregard; count SSI income in determining eligibility/payments; for minor parents cases, include in assistance unit any parent or sibling living in the home; disregard educational grants; require pregnant recipients to cooperate with child support; allow emergency assistance for families with employment-related barriers; change allowable funding for child care, systems FFP rate and provide at least baseline FFP for AFDC; require that AFDC apply for Medicaid as a unit and not individually; eliminate requirement of receipt of AFDC for 3 of last 6 months in order to receive transitional Medicaid; and allow State to assign cases to managed care. Also requests various Food Stamp waivers.</p>	<p>Key Issues: * Evaluation * Multiple-agency administration * Work requirements * JOBS/child support enforcement sanctions * Medicaid eligibility</p> <p>Status: Analysis paper being developed. Priority initially given to separate "Fast-Track" application described below. Met with State officials 12/13/95 concerning both proposals. Analysis paper sent to State 1/19/96.</p>	<p>Date received: 9/18/95</p> <p>120 days: 1/19/96</p> <p>Initiative focussed efforts on Fast Track proposal. Further progress delayed by Government shutdown.</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>New Hampshire Employment Program - portion of currently pending application resubmitted under Fast Track/30 day approval process)</p>	<p>In three pilot sites, would require work after 6 months of AFDC receipt; eliminate the exemption from JOBS for women in second trimester of pregnancy; eliminate the JOBS exemption for caretaker of a child under 3 but not less than 1 year of age; replace the earned income disregard of \$90 and \$30 and 1/3 with a 50% disregard which is not time-limited; raise the resource limit for recipients to \$2,000; disregard full value of one vehicle per adult for applicants and recipients; apply a full family sanction for voluntarily quitting a job or refusing to accept a job; apply a sanctions of reducing the payment standard by 30% for one month for failure to comply with JOBS in the first instance or until compliance, by 60% in the second instance for one month or until compliance, and in the third instance apply a full-family sanction for three months or until compliance; and require non-custodial parents to participate in JOBS.</p>	<p>Key issues: * Evaluation</p> <p>Status: Draft terms and conditions sent to Federal reviewers 10/13 and to State 10/19/95. Letter sent to State 11/8/95 documenting that we did not reach decision in 30 day period because State did not respond. Met with State 12/13/95 to discuss both State proposals.</p>	<p>Date received: 10/6/95</p> <p>30 days (fast track): 11/5/95</p> <p>State has not formally responded to draft terms and conditions.</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>New York</p> <p>"A Jobs First Strategy"</p>	<p>This demonstration gives applicants alternatives to welfare, provides new incentives for recipients to find work and create businesses, and encourages the formation and preservation of two-parent families. The demonstration allows applicants otherwise eligible for Aid to Families with Dependent Children the option to receive child care or Job Opportunities and Basic Skills Training program services in place of AFDC. The program will also provide one-time cash assistance or other services necessary to remedy a temporary emergency which has resulted, or may result, in job loss or impoverishment. The demonstration allows children in AFDC families to receive AFDC for up to two years after a caretaker parent marries and the new spouse's income makes the family ineligible, so long as the household's income does not exceed 150 percent of the Federal poverty guidelines. It extends to a full year transitional child care benefits for employed recipients who leave the rolls because of child support payments. In addition, clients are encouraged to develop their own business enterprises by excluding certain business income and resources, including vehicles. The demonstration will be implemented in six sites in four counties (Broome, Onondaga, Erie, and up to three sites in Brooklyn), and will operate for five years. It will include a rigorous evaluation.</p>		<p>Date received: 6/7/94</p> <p>Date approved: 10/19/94</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>North Carolina Work First Program</p>	<p>Statewide, would eliminate increase in AFDC benefits resulting from a birth of a child, limit JOBS exemptions, require a self-sufficiency contract, and limit AFDC receipt to 24 cumulative months. Families who reach the time limit could not reapply for 3 years. The contract would require: cooperation with child support; child immunization and medical check-ups; school attendance; and that teen parents live with a parent/adult and graduate from high school. Failure to sign the contract would result in denial of the AFDC application. Failure to comply would result in the loss of the adult's AFDC benefits and (starting with the second sanction) Medicaid coverage for a minimum of: 3 months for the first sanction, 3 months for second, 6 months for the third, and 3 years for the fourth. The State would allow applicants a one-time payment in lieu of AFDC ; expand AFDC-UP eligibility; raise the resource limit to \$3,000 and the vehicle asset limit to \$5,000 for AFDC and Food Stamps; and provide for automatic Food Stamps eligibility for AFDC-eligible applicants.</p>	<p>Key issues: * Time-limited benefits * Medicaid eligibility * Full-family sanction * Family cap * Evaluation</p> <p>Status: Analysis paper sent to Federal reviewers 10/13 and to State 10/26/95. Waiting for State response.</p>	<p>Date received: 9/20/95</p> <p>120 days: 1/19/95</p>
<p>Cabarrus County Work Over Welfare Demonstration Project</p>	<p>In Cabarrus County, would require AFDC and Food Stamps applicants and recipients, with exemptions, to sign an agreement to participate in employment and training for up to 40 hours per week; would divert AFDC and Food Stamps benefits to private employers to supplement wages; and would disregard those wages for AFDC, Food Stamps, and Medicaid eligibility (for NPA participants). Also, WOW would extend the \$30 and 1/3 disregard to 2 years for unsubsidized earnings only. Individuals who do not comply with the WOW agreement, JOBS, or FSE&T would be denied AFDC, Medicaid (unless pregnant) and Food Stamps according to the following schedule: first, until compliance; second: for a minimum of 4 months; and third and subsequently: for a minimum of 8 months. Adults who do not sign an agreement would be denied AFDC, Food Stamps, and Medicaid (unless pregnant) until they sign.</p>	<p>Key issues: * Medicaid eligibility * Non-waivable food stamp provisions * Individuals exempt from work requirements * Evaluation</p> <p>Status: Analysis paper sent to Federal reviewers 10/27 and to State 11/30/95. Response received 1/19/95 does not resolve issues.</p>	<p>Date received: 10/5/95</p> <p>120 days: 2/4/96</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>North Dakota</p> <p>Early Intervention Program</p> <p>Training, Education, Employment and Management Project</p>	<p>Statewide, this demonstration will provide Federal AFDC matching funds to the state for low-income women during the initial six months of pregnancy with their first child. Such payments are usually not available until the last trimester of the pregnancy. In addition, the demonstration links AFDC to a requirement that individuals enroll in the state's welfare-to-work program and pursue education or training activities both during the first six months of pregnancy and after their child is three months of age.</p> <p>A second project, "Training, Education, Employment and Management (TEEM), operates in 10 North Dakota counties. TEEM combines Aid to families with Dependent Children (AFDC), Food Stamps and the Low Income Energy Assistance Program (LIHEAP) into a single cash benefit and establishes simpler and more uniform eligibility rules. It requires recipients to develop a personal responsibility contract with a time limit for attaining self-sufficiency. Failure to comply with the contract brings progressive sanctions, up to and including loss of AFDC benefits for the entire family. Under TEEM, families may earn more money and accumulate more assets before losing benefits. They may also own one vehicle, regardless of value, to get to and from work. Health screenings and appropriate immunizations are required for all children. To encourage family formation, income of a step-parent is not counted for the first six months. The 10 counties where the project operates are Adams, Cass, Ransom, Richland, Sargent, Stark, Steele, Stutsman, Traill, and Williams.</p>		<p>Date received: 12/28/92</p> <p>Date approved: 4/12/94</p> <p>Date received: 9/9/94</p> <p>Date received: 9/28/95</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Ohio</p> <p>"A State of Opportunity" Project</p>	<p>The Ohio demonstration, which will operate for five years, has three components: Families of Opportunity, Children of Opportunity, and Communities of Opportunity. Communities of Opportunity will operate in up to five sites, primarily in Empowerment Zone/Enterprise Community areas. In these sites, the state will work with local business, industry, and community leaders to generate up to 2,500 wage-supplemented jobs during the 5-year life of the demonstration. These jobs are expected to pay at least \$8 per hour and to provide the economic stability for a family to leave welfare permanently. Wages will be supplemented with Food Stamp allotments and AFDC grants.</p> <p>Families of Opportunity expands eligibility for two-parent families, extends transitional child care for up to 18 months, and increases the amount of earnings a family can retain before losing AFDC eligibility. It will operate in 10 counties. Children of Opportunity will operate in two counties and will focus on education. Under this component, dependent children between ages 6 and 18 will be required to attend school regularly. Case management services will be available for families with attendance problems, and there will be financial penalties for failure to comply.</p>		<p>Date received: 5/28/94</p> <p>Date approved: 3/7/95</p>
<p>"Learning, Earning, and Parenting (LEAP) Program"</p>	<p>The "Learning, Earning, and Parenting" (LEAP) Program, to be in operation for six and a half years, builds on the accomplishments of the original LEAP demonstration. The State requires AFDC recipients who are either pregnant or parents under the age of 20, to attend school or a program leading to a high school diploma or equivalent. The modification also allows LEAP participants to meet this requirement through approved training or work activities, if educational activities are not appropriate. Further, mandatory LEAP participants become mandatory JOBS participants at age 20 or completion of educational requirement, regardless of the presence of a child under age 3. Bonuses, originally included in LEAP, now include a one-time \$62 grade-completion bonus for each subsequent grade (except grade 12) completed in high school or alternative school. A one-time \$200 bonus will be granted to those who graduate from high school or obtain a GED. Fiscal sanctions will be imposed for non-compliance.</p>		<p>Date received: 6/19/95</p> <p>Date approved: 9/6/95</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
Ohio First	<p>Statewide, would replace current earned income disregards with \$200 and 1/2 for twelve months for recipients; eliminate the work history requirement for married parents in AFDC-UP cases; eliminate 100-hour rule for AFDC-UP; disregard stepparent income for four months; increase the vehicle asset limit; use established vacancies for subsidized employment slots; require applicant job search as a condition of family eligibility; maintain food stamp benefit levels when the AFDC benefit is reduced as a result of sanction; impose progressive sanctions for non-compliance with JOBS leading to whole family sanctions; establish that failure to comply with JOBS equates to failure to comply with work program requirements under the Food Stamp Program; limit AFDC eligibility to 36 months out of any 60 month period, unless exempt; allow the IV-D agency to determine good cause for non-cooperation with Child Support Enforcement; change penalty for failure to cooperate with Child Support provisions to include a whole family sanction if the failure continues for two years; change penalty for fraud to include eligibility for all assistance unit members until payments received fraudulently have been repaid; require development and signing of a self-sufficiency contract as a condition of eligibility for the assistance unit; require pregnant women receiving Medicaid to participate in substance abuse screening as part of prenatal care; implement sanctions for failure to cooperate with substance abuse screening leading to whole family sanctions.</p>	<p>Key issues: * Time-limited benefits * Extending various penalties to full family * Non-waivable provisions * Medicaid</p> <p>Status: Expect to send analysis paper to State by the end of January.</p>	<p>Date received: 10/27/95</p> <p>120 days: 2/26/96</p>
<p>Oklahoma Oklahoma Demonstration Project (ODP)</p>	<p>This demonstration seeks to encourage welfare recipients to regularly attend school and ultimately graduate from a high school or equivalent educational program. The demonstration provides that AFDC recipients between the ages of 13 and 18 need to remain in school or face a reduction in benefits if they drop out. The plan applies to teenage parents as well as children.</p>		<p>Date received: 12/28/92</p> <p>Date approved: 1/25/93</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Mutual Agreement, A Plan for Success (MAPS)</p> <p>Welfare Self-Sufficiency Initiative</p>	<p>In six counties, will eliminate 100-hour rule for UP cases; increase auto asset level to \$5000; time-limit AFDC receipt to cases with non-exempt JOBS participants to 36 cumulative months in a 60 month period followed by mandatory workfare program; provide intensive case management; and apply fill-the-gap budgeting.</p> <p>In four pilots conducted in five counties each, would 1) extend transitional child care to up to 24 months; 2) require that all children through age 18 be immunized and require that responsible adults with preschool age children participate in parent education or enroll the children in Head Start or other preschool program; 3) not increase AFDC benefits after birth of additional children, but provide voucher payment for the increment of cash benefits that would have been received until the child is two years old; and 4) pay lesser of AFDC benefit or previous state of residence or Oklahoma's for 12 months for new residents.</p>	<p>Key issues:</p> <ul style="list-style-type: none"> * Two-tier payment levels * Family cap * Medicaid eligibility * Evaluation <p>Status: Analysis paper sent to Federal reviewers 12/7/95.</p>	<p>Date received: 2/24/94</p> <p>Date approved: 3/13/95</p> <p>Date received: 10/27/95</p> <p>120 days: 2/26/96</p>
<p>Oregon</p> <p>JOBS Plus</p>	<p>This 6-county pilot demonstration provides individuals with short-term (up to nine months) subsidized public or private employment at minimum wage or better. The state will provide supplemental payments if an individual's income is less than the combined AFDC and Food Stamps benefits. Participants will continue to be eligible for Medicaid and will receive work-place mentoring and support services. The state also will pass on to the family all the child support payments it collects on the family's behalf. Each JOBS Plus participant will also have an Individual Education Account (IEA), to which employers will contribute one dollar per hour of work. After a participant begins working in a non-subsidized position, the state will transfer the IEA to the state Scholarship Commission. The Commission will then make funds available to the participant or the immediate family for continuing education and training at any state community college or institution of higher learning.</p>		<p>Date received: 10/28/93</p> <p>Date approved: 9/19/94</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
Expansion of the Transitional Child Care Program (ETCCP)	ETCCP: Statewide, provides transitional child care benefits without regard to months of prior receipt of AFDC and provide benefits for 24 months.	Key Issues: * None Status: State asked ACF to hold the waiver: Now incorporated as part of Oregon Option (see below).	Date received: 8/8/94 120 days: 12/8/94 Holding at state request

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STATE	DESCRIPTION	STATUS	TIMEFRAME
Increased AFDC Motor Vehicle Limit (AMVC)	AMVC: Statewide, would increase automobile asset limit to \$9000 for AFDC and Food Stamp cases.	Key Issues: * Evaluation * Cost neutrality Status: FCS sent letter 2/21/95 asking state to revise evaluation plan. Though now incorporated as part of Oregon Option (see below), State has requested that review move forward. However, State has not responded to FCS request for revised evaluation plan.	Date received: 8/8/94 120 days: 12/6/94 State had asked ACF to hold request. Subsequently they requested that review move forward, but we could not reach agreement on course neutrality and evaluation.
Oregon Option	As a statewide project, would incorporate waivers already improved in 1992 for JOBS Welfare Program and in 1994 for the JOBS Plus demonstration with previously pending waiver requests to increase vehicle asset limit and extend transitional child care. Also would with some exceptions limit receipt of AFDC benefits to no more than 24 out of 84 months for family with employable parents; eliminated JOBS exemptions; eliminate the time restrictions on job search; impose progressive sanctions, leading to full-family ineligibility for non-compliance of JOBS; require ineligible alien parents of AFDC children to participate in JOBS; discontinue the AFDC-UP program from June through September each year and eliminate the 100-hour rule and work history requirements; increase asset limit to \$2,500 for non-JOBS participants and \$10,000 for JOBS participants, and treat lump-sum payments as an asset; require annual AFDC eligibility re-determinations; modify the rules for potential liability under EBT.	Key Issues: * Evaluation * Cost neutrality * Non-waivable provisions Status: State had asked us to hold project pending resolution of Federal welfare reform.	Date received: 7/10/95 120 days: 11/9/95 However, in letter received 11/21/95, State indicates they would like to move forward if there is hope for resolving remaining issues. Drafting letter of response.

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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Pennsylvania</p> <p>"Pathways to Independence"</p>	<p>This demonstration will operate in Lancaster County to provide incentives and support for single- and two-parent families moving from welfare to self-sufficiency. It increases earned income disregards so that recipients can keep more of what they earn before they become eligible for public assistance. Additionally, it raises AFDC resource limits, including the value of a family's vehicle, and increases the time that a family is eligible for transitional child care and Medicaid after the family leaves welfare due to earnings. To further aid the transition to work, Pathways extends case management counseling and referral services to up to one year after the family leaves welfare. Families will be able to deposit money into retirement savings and education accounts without penalty. Furthermore, after two months of employment, recipient families can also choose to receive cash payment of their monthly Food Stamp benefit. The demonstration will operate for five years.</p>		<p>Date received: 11/12/93</p> <p>Date approved: 2/3/94</p>

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STATE	DESCRIPTION	STATUS	TIMEFRAME
School Attendance Improvement Program	In 7 sites, would require school attendance as condition of eligibility.	<p>Key Issues: * None</p> <p>Status: Sent the state a list of issues and questions which result from a Federal review of the application 11/30/94. Sent draft terms and conditions to State 5/3/95. State indicates they are reconsidering the proposal.</p>	<p>Date received: 9/12/94</p> <p>120 days: 1/9/95</p> <p>State has not responded.</p>
Savings for Education Program	Statewide, would exempt as resources college savings bonds and funds in savings accounts earmarked for vocational or secondary education and disregard interest income earned from such accounts.	<p>Key Issues: * None</p> <p>Status: Have informed state they may be able to implement changes under current authority. State is reviewing this option and may withdraw request.</p>	<p>Date received: 12/29/94</p> <p>120 days: 4/29/95</p> <p>On hold while state considers options.</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
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STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>South Carolina</p> <p>Self-Sufficiency and Parental Responsibility Program</p>	<p>This waiver sets work requirements, provides transitional assistance for program participants, and significantly reduces caseloads for participating AFDC caseworkers. After completing Individual Self-Sufficiency Plans (ISSP's) to help prepare them to become self-sufficient, AFDC recipients have 30 days to find a job in a designated vocational area. If they fail to secure such employment, recipients receive an additional 30 days on AFDC to find any private sector job, after which time they must participate in a community work experience program in order to continue to receive AFDC benefits. Progressive sanctions for non-compliance, up to and including removal of the entire family from assistance, are components of this program. To aid in the transition to work, recipients who would otherwise no longer be eligible for AFDC because of employment can receive reduced benefits for up to 12 months. Families remain eligible for Medicaid and child care during this phase-down period, and regular transitional Medicaid and child care benefits begin at the end of this period. The program also raises resource limits to \$3,000 and exempts the cash value of life insurance policies, one vehicle and interest and dividend payments. Children of recipients are required to attend school regularly and obtain appropriate immunizations. The demonstration will operate in Berkeley, Dorchester, Charleston, and Barnwell Counties for a period of five years.</p>	<p>State has informed us they will not implement this demonstration. Submitted new proposal (see below).</p>	<p>Date received: 6/13/94</p> <p>Date approved: 1/9/95</p>
<p>Family Independence Program</p>	<p>Statewide, would, with exceptions, time limit AFDC benefits to families with able bodied adults to 24 out of 120 months, not to exceed 60 months in a lifetime; eliminate increase in AFDC benefit resulting from birth of children 10 or more months after the family begins AFDC receipt, but provide benefits to such children in the form of vouchers for goods and services permitting child's mother to participate in education, training, and employment-related activities; eliminate deprivation requirements, principal earner provisions, work history requirements, and 100-hour rule for AFDC-UP; increase AFDC resource limit to \$2,500 and disregard as resources one vehicle with a market value up to \$10,000, the balance in an Individual Development Account (IDA) up to \$10,000, and the cash value of life insurance; disregard from income up to \$10,000 in lump sum payments deposited in an IDA within 30 days of receipt, earned income of</p>	<p>Key Issues:</p> <ul style="list-style-type: none"> * Time-limited benefits * Family Cap * Full-family sanctions * Drug/alcohol testing/treatment * Evaluation <p>Status:</p> <p>Draft terms and conditions sent to</p>	<p>Date received: 6/12/95</p> <p>120 days: 10/11/95</p> <p>Have not been able to resolve policy issues with State.</p>

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996

STATE	DESCRIPTION	STATUS	TIMEFRAME
	<p>children attending school, and interest in dividend income up to \$400; require participation in a family skills training program; require certain AFDC recipients to submit to random drug tests and/or participate in alcohol or drug treatment; require children to attend school; increase amount of child support passed through to AFDC recipients; require more extensive information for child support enforcement purposes; modify JOBS exemptions and good cause criteria, and increase sanctions for non-compliance; make job search a condition of eligibility; allow non-custodial parents of AFDC children to participate in JOBS; and provide transitional grant Medicaid and child care for 12 months from the date of employment for cases previously closed due to time limit.</p>	<p>State 12/1/95. State responded 1/16/96; unresolved issues remain and discussions continue.</p>	
<p>South Dakota "Strengthening of South Dakota Families Initiative"</p>	<p>Statewide, this demonstration encourages welfare recipients to undertake either employment or education activities. The program assigns AFDC participants to either an employment or education track that enables them to move from dependency to self-sufficiency. Individuals enrolled in the employment track will receive up to 24 months of AFDC benefits; those participating in the education track will receive up to 60 months of AFDC benefits. Upon completion of either track, participants will be expected to find employment, or failing that, will be enrolled in approved community service activities. Individuals who refuse to perform the required community service without good cause will have their benefits reduced until they comply. In addition, in conformance with the Food Stamp program, AFDC benefits can be denied to any family in which an adult parent quits a job without good cause. The sanction period will last three months, or until the parent acquires a comparable job.</p>		<p>Date received: 8/6/93</p> <p>Date approved: 3/14/94</p>

**AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996**

STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Texas</p> <p>Promotion of Child Health in Texas</p>	<p>"Promoting Child Health in Texas" requires the parents or guardians of children receiving Aid to Families with Dependent Children to show proof of age-appropriate immunizations, or face benefit reductions. The state is also expanding opportunities for children to receive vaccinations in Department of Human Services' offices.</p>		<p>Date received: 4/11/95</p>
<p>Achieving Change for Texans</p>	<p>Statewide, would implement requirement for a personal responsibility agreement which addresses issues such as child support cooperation, early medical screening for children, work requirements, drug and alcohol abuse, school attendance, and parenting skills training; would limit the caretaker exemption from employment services, disregard the earned income and resources from earnings of a child, set resource limits which promote independence from AFDC, eliminate work history and 100-hour rules for otherwise eligible two-parent families. In Bexar County would time-limit AFDC benefits to 12, 24, and 36 months depending on education and job experience, with extensions of the time-limit based on severe personal hardship, or in cases where the State could not provide supportive services, or where the local economy was in such state that the recipient could not reasonably be expected to find employment, if State funds are available to continue assistance. Transitional Medicaid and child care services would be provided to individuals who exhaust their time-limited cash benefits. In two metropolitan statistical areas establish Individual Development Accounts to promote the transition to independence from AFDC, through allowable account deductions for education, business start-up costs and the like. In Fort Bend County would allow at recipient option, one-time AFDC cash emergency assistance payments of \$1,000 in lieu of ongoing regular AFDC payments with prohibition from applying for regular AFDC for a period of 12 months from date of receipt. In Dallas-Fort Worth would require electronic imaging (fingerprinting combined with photographic identification).</p>	<p>Key Issues:</p> <ul style="list-style-type: none"> * Time-limited benefits * Evaluation * Medicaid Eligibility * Support Services * Potentially lower earned-income disregard <p>Status: Analysis paper sent to State 1/18/96. Waiting for response.</p>	<p>Date approved: 8/10/95</p> <p>Date received: 10/6/95</p> <p>120 days: 2/5/96</p>

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects – January 24, 1996

STATE	DESCRIPTION	STATUS	TIMEFRAME
<p>Virginia Welfare Reform Project (WRP)</p>	<p>This project will encourage employment by identifying employers who commit to hire AFDC recipients for jobs that pay between \$15,000 and \$18,000 a year and by providing additional months of transitional child care and health care benefits. Another statewide component will enable AFDC families to save for education or home purchases by allowing the accumulation of up to \$5,000 for such purposes, encourage family formation by changing the way a stepparent's income is counted, and allow full-time high school students to continue to receive AFDC benefits until age 21. Further, in up to four counties, AFDC recipients who successfully leave welfare for work may be eligible to receive transitional benefits for child and health care for an additional 24 months, for a total of 36 months. In one location, Virginia received approval to offer a guaranteed child support "insurance" payment to AFDC families who leave welfare because of employment to assist the family in maintaining economic self-sufficiency.</p>		<p>Date received: 7/13/93</p> <p>Date approved: 11/23/93</p>
<p>Virginia Independence Program</p>	<p>Statewide, to keep families in crisis from going on welfare, the "Virginia Independence Program" (VIP), the state's second demonstration, will offer AFDC-eligible applicants up to 120 days worth of benefits in one payment with the stipulation that they cannot receive any more AFDC benefits for at least 160 days. The state also will require unmarried minor parents to live with a parent or responsible adult, will deny additional benefits to children born to a family on AFDC, and will impose financial sanctions on families whose children do not receive pre-school immunizations or comply with school attendance standards. If a caretaker relative does not assist in establishing paternity for a child born out-of-wedlock, the family's entire AFDC benefit can be terminated for at least one month until the relative cooperates with the state.</p> <p>VIP also contains two components: "Virginia Initiative for Employment Not Welfare" (VIEW) and "Full Employment Program" (FEP). The VIEW program, to be phased in over four years, applies only to cases with non-exempt adult recipients. Such recipients must sign an Agreement of Personal Responsibility or risk the termination of AFDC cash benefits. Cash benefits will be limited to 24 cumulative months for cases headed by employable caretakers. During this period, adults must participate in training or employment-related activities. Earned income will be disregarded if earnings plus the AFDC allotment do not</p>		<p>Date received: 12/29/94</p> <p>Amendments received: 3/28/95</p> <p>Date approved: 7/1/95</p>

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996

STATE	DESCRIPTION	STATUS	TIMEFRAME
	VIEW participants who cannot find un-subsidized employment can take part in FEP, which allows the state to fund private sector subsidized employment by combining AFDC benefits with cashed-out Food Stamp benefits.		
Washington Success Through Employment Program	Washington's "Success Through Employment Program" (STEP), sets time limits on Aid to Families with Dependent Children (AFDC) by progressively reducing benefits after a family has received assistance for four years in a five year period. After four years, the grant will be reduced by 10 percent, and by another 10 percent for each additional year thereafter. To encourage two-parent families to obtain employment, STEP will waive the requirement that the principal wage earner in a two-parent family work fewer than 100 hours per month for the family to qualify for AFDC.		Date received: 2/1/95 Date approved: 9/29/95
West Virginia Joint Opportunities for Independence	West Virginia's "Joint Opportunities for Independence" (JOIN) program helps adults in two-parent families gain work experience with private employers and provides a travel expense stipend as an income disregard. Employers who provide work experience positions to JOIN participants would pay individuals \$1.00 per hour for work and travel expenses. The state will provide child care when both parents participate in program activities. Fiscal sanctions will be imposed on families who fail to participate in JOIN.		Date received: 4/11/95 Date approved: 7/31/95

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects – January 24, 1996

STATE	DESCRIPTION	STATUS	TIMEFRAME
Wisconsin Work Not Welfare (WNW)	This waiver, in two counties, requires that most AFDC recipients either work or look for jobs. The plan provides case management, employment activities, and work experience to facilitate employment. Receipt of AFDC benefits will be limited to 24 months in a 4-year period, except under certain conditions, such as an inability to find employment in the local area due to a lack of appropriate jobs. Upon exhaustion of benefits, recipients become ineligible for 36 months. With exceptions, children born while a mother receives AFDC will not be counted in determining a family's AFDC grant. In addition, child support will now be paid directly to the AFDC custodial parent in cases where the funds are collected by the state.		Date received: 7/14/93 Date approved: 11/1/93
AFDC Benefit Cap (ABC) Project	Statewide, eliminates increased AFDC benefit for additional children conceived while receiving AFDC.		Date received: 2/9/94 Date approved: 6/24/94
Self-sufficiency First	Statewide, would require applicant adults, as a condition of eligibility, to meet with a financial planning resource specialist prior to completing an application to examine alternatives to welfare; with some exceptions. If the applicant still wants to apply for assistance, as a condition of eligibility, individual must engage in at least 60 hours of JOBS search activities during the 30-days application period. Would also limit JOBS exemptions.	Key Issues: * None Status: Expect to send state draft terms and conditions within next two weeks.	Date received: 4/18/95 120 days: 8/17/95

AFDC SECTION 1115 DEMONSTRATION ACTIVITY
Approved and Pending AFDC Reform Projects -- January 24, 1996

STATE	DESCRIPTION	STATUS	TIMEFRAME
Pay For Performance	<p>Under Wisconsin's statewide "Pay for Performance" (PFP) project, AFDC applicants must meet with a financial planning resource specialist to explore alternatives to welfare. Failure to do so without good cause results in denial of eligibility for AFDC benefits for all members of the family. Individuals who still want to apply for AFDC after meeting with the financial planning resource specialist must complete 60 hours of JOBS activities prior to approval for AFDC. At least 30 of the 60 hours must include contact with employers. Not completing this requirement without good cause will result in denial of AFDC benefits for all members of the family. Recipients who do receive AFDC will be required to participate in JOBS for up to 40 hours per week. For each hour of non-participation, the AFDC grant will be reduced by the Federal minimum wage. If the AFDC grant is fully exhausted, the remaining sanction will be taken against the Food Stamp allotment. If hours of participation fall below 25% of assigned hours without good cause, no AFDC grant will be awarded and the Food Stamp amount will be \$10.</p>		<p>Date received: 4/18/95</p> <p>Date approved: 8/14/95</p>
<p>Wyoming</p> <p>New Opportunities and New Responsibilities Welfare Reform Demonstration</p>	<p>This demonstration, in three counties, encourages AFDC recipients to enroll in school, undertake a training program, or enter the work-force. Wyoming's plan will allow AFDC families with an employed parent to accumulate \$2,500 in assets, rather than the current ceiling of \$1000. Wyoming will promote compliance with work and school requirements with tough penalties: AFDC minor children who refuse to stay in school or accept suitable employment could have their monthly benefit reduced by \$40; and adult AFDC recipients who are required to work or perform community service, but refuse to do so, face a \$100 cut in their monthly benefit. Statewide, Wyoming will also severely restrict eligibility for adults who have completed a post-secondary educational program while on welfare, and will deny payment to recipients who have confessed to or been convicted of program fraud until full restitution is made to the state. Unemployed, non-custodial parents of AFDC children who are not paying child support can now be ordered, by the courts, into Wyoming's JOBS program.</p>		<p>Date received: 5/20/93</p> <p>Date approved: 9/7/93</p>

COVER LETTER: MARY JO TO SECRETARIES

WR -
Waivers -
Fast Track

Dear Colleague:

Secretary Shalala is today communicating with your governor about a new process for approving special welfare reform demonstrations. This process fulfills the commitment made by the President in his July 31 NGA speech to state welfare reform that promotes work and protects children. I am pleased to send you an application package for welfare reform demonstrations to be considered under this new, streamlined and expedited waiver review process. We have also announced this opportunity in a Federal Register notice, a copy of which is enclosed.

The new process is intended to help states structure and quickly implement welfare reform demonstrations that incorporate one or more of five tested strategies for focusing the welfare system on work and on responsibility. They are: work requirements; time limits followed by work; live at home and school requirements for minor mothers; work requirements for non-custodial parents and wage subsidies for private employment. Used singly or in combination, these strategies have the potential for dramatically changing the welfare system.

Each strategy is laid out in the accompanying form. As you will note, under each strategy there is a brief description of how the strategy can be implemented, and several options. All of the descriptions and options are drawn from demonstrations that are already going on in the states. We tried to incorporate into the form the clearest descriptions of the strategies and the most popular state choices under each strategy. These reflect both good practice as developed in the states and necessary protections as required by law.

The form also lays out a simplified procedure for evaluations and for assessing cost neutrality.

Your submission of an application under this procedure is equivalent to accepting a set of terms and conditions for the demonstration that cover the substance of the demonstration as outlined by the descriptions and choices you selected on the form, and the evaluation and cost neutrality requirements laid out in the package. We will send you an approval document within thirty days of receiving your application that incorporates the choices you have made into a set of terms and conditions governing the demonstration. This procedure will ensure that the demonstrations meet the requirements of the Social Security Act.

If you wish to request waivers for strategies different from those outlined in the form, or under different conditions, we will be happy to consider them under our normal waiver process. As always, our staff will be pleased to provide assistance.

The new waiver procedure outlined in the form represents, I believe, an approach to dramatic welfare reform that builds on the best of what states have developed over the last few years. I look forward to receiving, and approving, a new set of welfare reform demonstrations that will take us even further toward ending welfare as we know it.

WELFARE REFORM DEMONSTRATION: SPECIAL APPLICATION FORM

Administration for Children and Families
U.S. Department of Health and Human Services

Date Submitted: Date Received by ACF:

Applicant Agency and Address:

Name and Title of Authorized Representative: Phone Number:

Signature of Authorized Representative:

Name and Telephone Number of Person to be Contacted Regarding this Application:

Project Title:

Proposed Start Date: Ending Date:

This demonstration will be conducted: The research sample will be drawn:

Statewide

Statewide

In an area consisting of:

In a research site consisting of:

Demonstration Includes Waiver Requests in the Following Areas:

Work Requirements

Child Support/Required Work for Non-Custodial Parents

Time Limits

Wage Subsidies for Private Employment

Teen Parents

Check applicable sections above and attach corresponding form for each area selected. On each attached form, mark the provisions selected and provide other information where requested.

State Public Notice Requirement Satisfied by (check one)

Legislation (please attach copy)

Publication

Other (describe)

PLEASE ATTACH A BRIEF DESCRIPTION OF YOUR PROJECT. INCLUDE PROBLEMS THE PROJECT ADDRESSES, MAJOR OBJECTIVES AND FEATURES OF THE PROJECT AND WHY IT IS IMPORTANT. ALSO INDICATE WHICH PROVISIONS SELECTED WILL APPLY TO BOTH RECIPIENTS AND APPLICANTS OR ONLY ONE OR THE OTHER.

WORK REQUIREMENTSRequirement to work or prepare for workWaiver Citations

SSA 402(a)

Work requirement. Adults who are able to work will be required to work after _____ months of AFDC receipt. The work requirement may be fulfilled by _____ unsubsidized work, _____ a subsidized job, _____ on-the-job training, or _____ community service.

When a work requirement is adopted, adults who are required to work will be assured a placement.

Child care will be provided to the children of those adults who are required to work to the extent necessary for them to meet the work requirement.

Exemptions to the work requirement are described below.

Expanded JOBS participation requirement. Work or community service may be required of any JOBS participant, either as the basic activity or in combination with job search, other structured job preparation, education or training.

SSA 402(a)

Child care will be provided to the children of those adults who are required to participate in work or other JOBS activities, to the extent necessary for them to meet the work requirement.

Exemptions to the participation requirement are described below.

WORK REQUIREMENTS

Increasing participation in work or JOBS: limiting exemptions.

SSA 402(a)(19)(C)

Individuals will be required to participate in work or JOBS unless they are ill, incapacitated or of advanced age; needed in the home to care for an ill or incapacitated household member; are the parent or caretaker personally providing care for a child under 3; work 30 hours or more per week; are a child under 16 or attending school; or are in the second or third trimester of pregnancy.

The following groups of individuals who would otherwise be exempt will be required to work or participate in JOBS:

_____ parents or other relatives of a child under three but not less than one year of age;

State Plan Option

_____ parents or other relatives of a child under one year of age but not less than twelve weeks;

Waiver Citations:
402(a)(19)

_____ a minor parent under age 16 provided that the required activity be school attendance or approved alternative educational activities.

_____ those working 30 or more hours per week;

_____ women who are pregnant, unless they are determined to be unable to work or participate for medical reasons.

Penalty for refusal to accept a job;

SSA 402(a)(19)(G)

_____ If an adult recipient is fired from a job for cause, quits a job without good cause, or turns down a bona fide offer of an unsubsidized job that would provide income equal to or greater than the AFDC benefit, after application of work expense deductions, _____ the penalty specified under the JOBS program will be applied, or _____ the family will be ineligible for AFDC benefits for a period of _____ months or until compliance.

WORK REQUIREMENTSNon-compliance with work or JOBS requirements

SSA 402(a)(19)(G)

Where an individual who is required to participate fails to comply with JOBS participation or work requirements, without good cause:

_____ the needs of such individual shall not be taken into account in making the determination of AFDC eligibility or benefit amount for the following periods:

_____ months for the first failure or until the failure to comply ceases whichever is ___ shorter ___ longer;

_____ months for the second failure or until the failure to comply ceases whichever is ___ shorter ___ longer;

_____ months for any subsequent failure or until the failure to comply ceases whichever is ___ shorter ___ longer;

_____ a fiscal penalty (i.e., a fixed dollar amount in lieu of removal of individuals' needs) will be applied for the following periods:

SSA 402(a)(19)(G)

\$_____ will be subtracted from the AFDC benefit payment for _____ months for the first failure or until the failure to comply ceases whichever is ___ shorter ___ longer;

\$_____ will be subtracted from the AFDC benefit payment for _____ months for the second failure or until the failure to comply ceases whichever is ___ shorter ___ longer;

\$_____ will be subtracted from the AFDC benefit payment for _____ months for any subsequent failure or until the failure to comply ceases whichever is ___ shorter ___ longer.

_____ the amount of the sanction will be progressive for subsequent instances of noncompliance. (Describe structures.)

TIME LIMITS

SSA 402(a)

Time limits on AFDC benefits. Time limits on receipt of AFDC benefits will be established for cases that include a parent who is able to work. Appropriate services, as specified in a contract or other similar mutual agreement, are made available so that adults will be ready for unsubsidized employment as soon as possible before the end of the time limit.

Within any ___ month period, the time limit will be for 24 months (defined as ___ cumulative ___ consecutive months) or ___ months, whichever is longer, from the date the family is notified it is subject to the time limit or the implementation date, whichever is later. (Describe the method of calculating the months.)

After the time limit, cash benefits to the family due to the ___ parent ___ family will cease. Those who are unable to find a job at the end of the time limit will be provided for under one of the three program options described below.

Work placements and extensions will not be available for periods as specified by the State to parents who have, without good cause, quit a job, refused a bona fide job offer during the AFDC period or after the time limit, or have not substantially cooperated with JOBS or other requirements to seek employment.

All parents will be subject to the time limit unless they are exempt. A parent will be exempt from time limits if he/she is ill, incapacitated or of advanced age; needed in the home to care for an ill or incapacitated family member; is the parent who personally provides care for a child under age ___; is a child under age 18 or a child between 18 and 19 attending school full-time; or is in the second or third trimester of pregnancy. The State agency may specify additional categories of individuals who are exempt. (Describe.)

TIME LIMITS**Option 1: Individualized time limits followed by work requirements.**

For each parent in the assistance unit who is able to work, the State will develop a plan, in conjunction with the parent, which includes a time frame during which the parent is expected to become self-sufficient. The plan will outline the expectations of the State and the parent, include appropriate referrals, and stipulate JOBS program activities to be undertaken and support services to be provided during the period covered by the plan.

If the parent demonstrates effort and satisfactory progress but is unable to achieve self-sufficiency within the time frame specified in the plan, the State will, in conjunction with the parent, revise the plan to establish a new time limit for self-sufficiency. At State option, plans established beyond the original time limit may require that the parent participate in private or public sector work placements arranged by the State.

TIME LIMITS

Option 2: Fixed time limits followed by work placements.

For each parent in the assistance unit who is able to work, the State will develop a plan, in conjunction with the parent, which includes a time frame during which the parent is expected to become self-sufficient. The plan will outline the expectations of the State and the parent, include appropriate referrals, and stipulate JOBS program activities to be undertaken and support services to be provided during the period covered by the plan.

If at the end of the time limit the parent: 1) has not been hired in an unsubsidized job or 2) loses an unsubsidized job and cannot find another or 3) has accepted an unsubsidized job but the number of hours of work in the unsubsidized employment does not provide income at least equal to the AFDC payment standard for the family size, after application of work expense deductions, the requirement to work in a private or public sector placement arranged by the State will begin.

Individual placements will last no longer than ___ months. Parents will be expected to seek employment ___ during and/or ___ between each placement. At the end of each ___ month period an assessment will occur to determine whether the parent is complying with all work and work search requirements and whether other services are necessary to obtain unsubsidized employment for the parent.

The work requirement will begin after the ___th month of receiving an AFDC grant for single-parent families and two-parent families which are not AFDC-UP eligible.

The work requirement will begin after the ___th month of receipt for AFDC-UP families.

TIME LIMITS

Option 3: Fixed time limits with extensions available in limited circumstances.

For each parent in the assistance unit who is able to work, the State will develop a plan, in conjunction with the parent, which includes a time frame during which the parent is expected to become self-sufficient. The plan will outline the expectations of the State and the parent, include appropriate referrals, and stipulate JOBS program activities to be undertaken and support services to be provided during the period covered by the plan.

_____ days prior (not less than 30) to the end of the time limit the individual will be informed that benefits are expected to terminate. The parent will be informed that, under limited circumstances, he/she may apply for an extension of benefits.

If, after the time limit has expired, the parent: 1) is not employed in an unsubsidized job which provides income at least equal to the AFDC payment standard for the family size, after application of work expense deductions, 2) has made a good faith effort to find employment, and 3) has satisfactorily complied with employment-related program requirements while receiving cash assistance, an extension of the time limit will be granted and AFDC assistance provided. Extensions will be granted in increments of _____ months and after each extension the case will be reviewed to determine if the parent continues to be eligible for further extensions.

Describe the policies governing participation requirements in employment-related activities during periods of extension.

TIME LIMITSWork Incentives

___ For families subject to the time limit, alternative earnings disregards and the periods during which they will be applied are as follows:

SSA
402(a)(8)(A)(ii)
and (iv) and
(B)(ii)

The ___ \$90 work expense disregard and/or the ___ \$30 and one-third disregard are replaced by:
1) a disregard of \$ ___ and ___ % of the remainder for a period of ___ months, or 2) a disregard of ___ % of all earned income up to a level of \$ ___.

___ For families subject to the time limit, the resource limit will be increased to \$ ___. Special rules for the sources or purposes for which the assets may be accumulated ___ will or ___ will not be as specified by the State.

SSA 402(a)(7)(B)

___ For families subject to the time limit, the vehicle asset limit will be increased to \$ ___ in ___ equity or ___ fair market value, or in other ways as specified by the State.

SSA 402(a)(7)(B)(i)

___ For families subject to the time limit, transitional Medicaid benefits will be provided for a period of ___ months beyond 12 months as specified by the State.

___ For families subject to the time limit, transitional child care benefits will be provided for a period of ___ months beyond 12 months as specified by the State.

SSA
402(g)(1)(A)(iii)

TEEN PARENTS

_____ The State elects to require that a minor, unmarried parent (or who is pregnant) and a dependent child(ren) in his/her care reside in the household of a parent, legal guardian, or other adult relative, or an adult-supervised living arrangement. Assistance is to be provided in the form of protective payments, where possible, to the minor parent's parent, legal guardian, or other adult relative.

State Plan
Option
SSA
402(a)(43)

Exemptions: A minor may not be required to live in a setting if, as determined by the State agency, the physical or emotional health or safety of such individual or such dependent child would be jeopardized or where the State otherwise determines that there is good cause for not requiring such living arrangements.

The above option must be elected if any of the following waiver provisions are being requested.

_____ The minor parent may be required to live in a supervised setting where: _____ such individual has no parent or legal guardian of his or her own who is living and whose whereabouts are known; _____ no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian; or _____ such individual lived apart from his or her own parent or legal guardian for a period of at least one year before either the birth of any dependent child or the individual having made application for aid.

_____ Protective Payee. In addition to provisions allowed under the State Plan Option elected by the State, protective payments may be made to non-relatives on behalf of the minor and his/her child if they are residing in an approved adult-supervised setting with nonrelatives.

SSA
402(a)(43)
(A)

TEEN PARENTSMinor Parent School Attendance Requirement:

State agencies may provide case management services and develop case plans, as appropriate, to work with families to resolve any problems with participation and attendance.

SSA
402(a)(19)(
A),
(B)(i),(ii)
,(iii) and
(C)(ii),(ii
i),
(iv),(v),an
d (vi)

___ Minor parents will be required to participate in an educational activity or, if determined to be appropriate, alternative training or work activities. (Describe any exemptions.)

___ A formal assessment and employability plan will not be developed unless an activity other than education is determined to be appropriate.

___ Specific attendance requirements will apply to those required to attend school. (Describe.)

Sanctions for failure, without good cause, to meet the participation or school attendance requirements will be as specified below:

___ The JOBS sanctions as specified in SSA 402(a)(19)(G) will apply.

TEEN PARENTS

___ Alternative sanction policy:

SSA 402(a);
402(a)(19) (

___ the needs of the noncomplying individual will be removed from consideration in calculating the AFDC benefit amount for different periods of time. (Describe.)

___ the needs of the noncomplying individual and such child or children of such individual may be removed from consideration in calculating the AFDC benefit amount for specified periods for second or subsequent instances of noncompliance except that such penalty will not be applied for longer than ___ months or until compliance. (Describe.)

___ Positive Incentives. For each month that a minor parent meets the participation or school attendance requirements, the State will pay a bonus of \$___ to the minor parent.

NOTE: Waiver provisions in this section are granted on the condition that the State agency will include in the JOBS participation rate calculation only those individuals who would otherwise have been considered mandatory JOBS participants or voluntary in-school teen parents.

CHILD SUPPORT / REQUIRED WORK FOR NON-CUSTODIAL PARENTS**Non-Custodial Parents Participation in JOBS**

SSA 402

(a) (19) (A),

(a) (19) (B) (i)

___ Unemployed or under-employed non-custodial parents of AFDC children are required to participate in job search, work experience, job training, or education activities under JOBS up to 40 hours a week.

___ Non-custodial parents are provided a credit against child support arrearages which are owed to the State if the non-custodial parent participates satisfactorily in the State's JOBS program.

SSA 454(11)

SUBSIDIZED EMPLOYMENT PROGRAM

The state will establish a subsidized employment program in which _____ AFDC and _____ Food Stamp benefits will be used to provide wage subsidies to employers who hire AFDC recipients. The subsidized employment program will be open to volunteers and/or those who are required to participate.

SSA 402(a)
(19)(A)

Child care will be provided to participants in the subsidized employment program. Program participants are eligible for Medicaid and other services under the same rules as AFDC recipients.

Subsidized jobs will pay at least the State or Federal minimum wage, will meet fair labor standards, and comply with the participant protections in section 484 of the Social Security Act. Subsidies will be paid to employers as follows:

_____ \$ _____ per hour for the first _____ months of employment

_____ \$ _____ per hour for the next _____ months of employment

_____ No subsidies will be paid to employers after _____ months.

Participants in the subsidized employment program will receive the same employee benefits as those provided to other employees in similar positions.

If the wages of a participant in the subsidized employment program are less than the amount he/she would have received from AFDC and Food Stamps after application of work expenses, the state will provide a supplemental payment sufficient to bring the family to that level of income. The food stamp allotment must be increased to the extent necessary to compensate participants for the cost of any State or local sales tax on food purchases. The State agency is responsible for the cost of the increase due to sales taxes.

SUBSIDIZED EMPLOYMENT PROGRAM**Employer contribution option**

The employer will pay \$ ___ per hour for each participant hour worked into an individual fund for the participant. The fund will be available to the participant after leaving the subsidized employment program, for help in making the transition into an unsubsidized job.

Redeterminations/Change in Circumstances

SSA 402(a)(5)

Alternative redetermination periods will apply for AFDC and Food Stamp Program purposes as established by the State during the period of participation in the subsidized employment component.

Mandatory change reporting requirements for AFDC and Food Stamps will be waived during the period of participation in the subsidized employment component.

SSA 402(a)(5)
and (14)

Assurance: The State agency will ensure that every case which has its food stamp benefits diverted to the wage pool will receive: 1) written information about the right to request, and receive within 10 days, supplemental food stamp benefits if net wages received or expected to be received in any month are less than the food stamp amount that family would have received; 2) nutrition education and information on money management; 3) information concerning the availability and benefits of advance Earned Income Tax Credits; 4) information about the right to report changes affecting the household's AFDC or food stamp allotments which will be acted upon by the State agency in a timely manner; and 5) based on a plan submitted to and approved by the U.S. Department of Agriculture, compensation for any additional tax liability incurred due to the counting of the cash value of food stamp benefits in its yearly income for tax purposes.

EVALUATION

The demonstration will be evaluated using random assignment of individuals. The evaluation will be conducted by a contractor independent of the Executive Branch of the State government (state universities qualify under this provision), that is qualified and has experience in evaluating social experiments of the design, scale, and duration of that proposed by the State. The State will submit to DHHS, for approval, a draft Request for Proposals or Statement of Work for the contract to conduct the evaluation of the demonstration. The costs of approved evaluation activities will be matched by DHHS at 50 percent for the duration of the evaluation and are excluded from cost neutrality requirements. The selected evaluation contractor will be required to develop an evaluation plan, to be submitted by the State to DHHS for approval, that will specify the data that will be gathered and the analyses that will be performed.

The evaluation will comprise three studies, an impact study, a process study, and a cost-benefit analysis. The impact study will compare the experimental and control groups for statistically significant differences on selected outcome measures. To the extent that sample size allows, the impact study will include the analysis of subgroups of the AFDC population. The process study will describe how the parts of the demonstration were implemented and operated, and will describe the differences between the treatment and control groups with regard to comparable resources, services, activities, staffing, etc. The cost-benefit analysis will seek to determine whether the costs of the demonstration are justified by the benefits produced.

The evaluator will prepare an interim evaluation report, presenting process and impact findings for the first half or the first 3 years of the demonstration (whichever comes first). The final evaluation report, integrating the impact study, the process study, and the cost-benefit analysis will be due 9 months after termination of the demonstration. The State will also have the evaluation contractor produce and make available public-use data tapes, including documentation, containing data collected during the demonstration.

Research Questions Concerning Impacts

The impact evaluations for welfare reform demonstrations aim to answer research questions which address the hypothesized effects of waivers by comparing the experimental and control groups for differences on selected outcome measures.

Evaluations of the demonstrations in any of the five areas highlighted by the Administration would measure the project's effects on AFDC, Food Stamp, and Medicaid participation and program costs. The outcome measures related to program

participation and costs include incidence of AFDC and Food Stamp benefit receipt; AFDC and Food Stamp payments; exit and recidivism rates for AFDC; receipt of Medicaid services; use of child care; child care payments; and sanction rates, including age and race of those subject to sanctions.

Also, evaluations of demonstrations in any of the five areas would be concerned with the project's effects on the well-being of children, including their long-term prospects for self-sufficiency. The outcome measures related to this issue include measures of child well-being such as reported child abuse and neglect and health and insurance status.

For the five individual areas, more specific questions and outcome measures are the following:

Work Requirements and Privatization

Do the work requirements and the privatization activities promote family self-sufficiency?

The outcome measures related to this question include participation rates in the work program and the privatization component; employment rates; length of employment; amount of earned income; hours worked per month; and total family income and accumulated savings.

Time Limits

Many of the outcomes needed to answer the research question regarding work requirements and privatization would apply to AFDC time limit demonstrations as well. In addition, the evaluations of time limit demonstrations would aim to determine whether the demonstration effects family structure and stability. The outcome measures used to determine this include marriage and separation rates; homelessness of children and adults; rate and use of foster care; and status changes between AFDC-UP and AFDC-Basic.

Teen Parents

Evaluations of demonstrations that require teen parents to live at home and to attend school would aim to address most of the above questions as well as to determine the project's effect on the living arrangements of minor parents and on their school performance. Outcome measures related to school performance include at a minimum the percentage of children meeting satisfactory school attendance requirements and sanction rates. The evaluation may also consider additional measures such as grade completion rates and average grades and scores on standardized tests.

Child Support/Required Work for Fathers

Evaluations of demonstrations that require noncustodial parents to work would aim to address the child well-being, family self-sufficiency, and employment related questions above and would aim to determine whether requiring employment of unemployed noncustodial parents of AFDC children results in increased child support payments. An additional question for this type of demonstration is whether the work requirement leads to the discovery of previously unreported income of the noncustodial parent.

Research Site and Sampling

The impact evaluation will be based on randomly assigning cases in a research site to experimental and control groups comprising the research sample. The research site may include the entire geographic area in which the demonstration will operate (e.g., the State) or an approved site or sites that will yield a research sample of adequate size.

The State will submit to DHHS for approval, 30 days prior to the implementation date of the demonstration, a sampling plan for randomly assigning cases in the research site. The research sample will be drawn from AFDC cases active on the date of implementation and from new AFDC cases entering the demonstration beginning with the implementation date. If no demonstration provision will affect initial eligibility, "new AFDC cases" will mean only newly approved AFDC cases. If at least one demonstration provision will affect initial eligibility, "new AFDC cases" will mean all new AFDC applicants without regard to whether they ever receive assistance.

The minimum sample size requirements are:

For cases active at the implementation date, 1,500 control group cases and 1,500 experimental group cases.

For cases entering the demonstration after the implementation date, the greater of:

- the number sampled through the mid-point of the demonstration, or
- 1,500 approved AFDC cases in the control group and 1,500 approved AFDC cases in the experimental group.

After the implementation date, cases will be assigned to experimental and control group at the same ratio as were cases active at the implementation date.

All cases assigned to either the treatment or the control group will maintain their assigned status for the full period of the demonstration as long as they reside in the State. Outcome data will be collected for all cases assigned to the research sample, to the extent possible, for the duration of the demonstration,

regardless of whether the cases continue to receive assistance or, with regard to applicant cases, ever receive assistance.

COST NEUTRALITY

The demonstration is to be cost-neutral to the Federal government with respect to benefit and administrative costs for AFDC, Emergency Assistance, Food Stamps, and Medicaid. Excess costs or savings of the demonstration will be calculated relative to what costs would have been in the absence of the demonstration. Initially, cost neutrality reports will be submitted quarterly. Once DHHS has established that adequate cost neutrality information is being collected and reported, however, the State may submit reports semi-annually.

Calculation of Excess Costs or Savings

Excess cost and savings will be determined by first calculating the cumulative benefit and administrative costs for AFDC, Emergency Assistance, Food Stamps, and Medicaid of experimental and control cases and then determining the difference in average costs per case. We will use this difference in costs for experimental cases to extrapolate the total excess costs or savings for all cases subject to the demonstration rules.

Reconciliation of Excess Costs or Savings

During the first 4 calendar quarters of the demonstration, the Federal government will provide Federal financial participation (FFP) and will not, during that period, recover excess costs.

Starting with the fifth quarter, FFP will be limited. This will be done first by providing continued FFP in the 5th quarter through the midpoint of the demonstration only up to an amount where cumulative excess costs incurred beginning with the implementation date do not exceed "x" percent of cumulative Federal benefit and administrative costs for demonstration treatment cases. So long as costs remain at or below this threshold, the Federal government will not begin the process of reconciling any excess costs.

However, at the mid-point of the demonstration, total cumulative excess costs will be determined, and recovery of excess costs will occur, on a schedule that eliminates these excess costs by the end of the demonstration. This will be done by requiring a quarterly reimbursement equal to the total cumulative excess costs at the midpoint divided by the number of remaining quarters. Reimbursement will not be required, or will be reduced, to the extent that savings occur that reduce the total unreimbursed Federal share of excess costs. Should a State initially reimburse excess Federal costs to the Federal government that are later offset by savings in an amount that more than exceeds the schedule of reimbursement, such reimbursed costs will be repaid to the State.

At the end of the demonstration (whether it runs to its scheduled completion date or it is terminated earlier), a final reconciliation will be done to ensure that there are no remaining excess costs. If there are savings at the time of final reconciliation, the Department(s) agree(s) to authorize PFP for approved and matchable demonstration expenses to the extent of such savings. If there are remaining excess costs at the time of reconciliation, the State agrees to repay the excess costs in equal quarterly amounts over the next four quarters.