

CRS Report for Congress

Welfare Reform: A Comparison of House Bills that Propose a Time Limit--H.R. 3500, H.R. 4414, and H.R. 4605

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July 18, 1994



**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE A TIME LIMIT--
H.R. 3500, H.R. 4414, AND H.R. 4605**

SUMMARY

President Clinton's pledge "to end welfare as we know it" has aroused many plans to alter the program of Aid to Families with Dependent Children (AFDC). A basic concept in the President's proposal is to limit the duration of AFDC benefits not conditioned on work. This report compares current law with House bills that would establish a time limit: H.R. 3500, H.R. 4414, and H.R. 4605. For a description of the Senate Republican time-limit bill, see *Welfare Reform: A Comparison of H.R. 3500 and S. 1795 with Current Policy*, CRS Report No. 94-176 EPW.

H.R. 3500, introduced by Representative Michel (House Republican Leader) and 159 other Republicans on November 10, 1993, would convert AFDC into a transitional program of education, training, job search, and work experience for mothers without a child under 6 months old, followed by a work program for the jobless. After 2 years, a person could receive cash aid only by working (usually 35 hours weekly) in a subsidized job, community work experience program, or other job. H.R. 3500 would permit States to convert AFDC into a block grant and (unless the State enacted exemption laws) forbid AFDC benefits for the child of a minor and for a new baby born in an AFDC family. It would cap Federal funding for AFDC and five other welfare programs and end welfare for most noncitizens. The bill's child support provisions include establishing an Interstate Locate Network linking the Federal Parent Locator Service (FPLS) to State databases, requiring States to maintain a child support order registry, and requiring employees to report child support obligations.

H.R. 4414, introduced on May 12, 1994, by Representative McCurdy (chairman of the Democratic Leadership Council and the Mainstream Forum) and 27 other Democrats, would impose a 2-year lifetime limit on participation by most AFDC recipients under age 25 (first year) in an optional State program called Work First, which would require immediate job search and base AFDC benefits on hours spent in specified activities aimed at moving to work. It would set a 3-year time limit on participation in a follow-up program of community service for those without an unsubsidized private job. Community service participants would be required

to work 30 hours weekly at the minimum wage. H.R. 4414 would make the dependent tax credit refundable, increase the Federal matching rate for child care costs, and increase funding for "at-risk" child care (for the working poor). It would forbid benefits for new babies born to AFDC mothers (unless the State plan allowed them), require unmarried minor AFDC mothers to live under adult supervision, permit States to offer benefits to needy two-parent families who are employed and to give working AFDC recipients a financial bonus. H.R. 4414 would make noncitizens generally ineligible for AFDC, Supplemental Security Income (SSI), and food stamps. H.R. 4414 would expand the FPLS, require new employees to report child support obligations, and require States to collect overdue child support from lottery winnings, settlements, and forfeited property.

H.R. 4605, the Clinton bill, introduced on June 21, 1994, by Representative Gibbons (acting chairman of the Ways and Means Committee) and 7 other Democrats, would impose a 2-year lifetime limit on AFDC benefits for most able-bodied adult recipients born after 1971, require school/training/work by mothers without a child under 1, increase funding and the matching rate for JOBS and child care, and require States to create a program called WORK for those without a private job at the end of the time limit. States would decide required hours of WORK, within a range of 15 to 35 hours weekly. Those in WORK jobs would receive at least the minimum wage and, if needed to prevent income loss, a cash supplement from AFDC. After two WORK jobs, which each could last 1 year, a person's situation would be reassessed. H.R. 4605 would permit States to require unmarried minor mothers to live under adult supervision, permit States to deny benefits (or pay reduced benefits) for new babies born to AFDC mothers, and permit States to offer AFDC to needy two-parent families without regard to work hours or history. The bill would require States to establish an automated registry of child support orders, establish a national clearinghouse of child support orders and a directory of new hires, expand the scope of the FPLS, require States to adopt laws under which debtor parents could be denied professional or business licenses, and authorize child support assurance demonstration projects.

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**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT—H.R. 3500, H.R. 4414, AND H.R. 4605**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)				
<p>GENERAL DESCRIPTION</p>	<p>The program of Aid to Families with Dependent Children (AFDC), title IV-A of the Social Security Act (SSA), provides Federal matching grants to States to enable them to aid "needy" children and their relative caretakers:</p> <p>Federal law requires States, to the extent resources permit, to require most able-bodied AFDC recipients with no child under age 3 to participate in the State's education, training, and work program, the JOBS program.</p> <p><i>Note:</i> AFDC programs are operated by the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.</p>	<p>Although many AFDC provisions would remain, its Job Opportunities and Basic Skills (JOBS) program would be required to have a time-limited "transition" component and a work component.</p> <p>States would be required to require most able-bodied recipients without a child under 6 months old to participate for up to 2 years in the transition component, which would be required to include job search and might include education, training, and work experience programs.</p> <p>After 2 years (or lesser period, at State option), a person could continue to receive AFDC benefits only by participating in the program's work component, which might include a work supplementation program (subsidized job), a community work experience program, or any other State work program approved by the Secretary of the Department of Health and Human Services (DHHS).</p>	<p>Although many AFDC provisions would remain, its JOBS program would be repealed. In its place, States would be <i>permitted</i>, but not required, to establish a time-limited program called Work First (WF): States could require WF participation by AFDC recipients younger than 25 (first year), if they were not teenage students and not recuperating from childbirth, and by persons who were in the old JOBS program just before it ended. The WF program would have to include job creation and specified employment and training services. In general, no one could participate in WF for more than 2 years, but some repeat assignments would be allowed <i>after</i> 3 years in community service (below).</p> <p>States with WF programs would be required to establish community service programs, which would be required to provide each participant with a job at the minimum wage. In general, no one could be in this program for more than 3 years (thereafter, some persons could be reassigned to WF or to further participation in community service).</p>	<p>Although many AFDC provisions would remain, the JOBS program would be changed, on a phased-in basis, into a time-limited program. AFDC parents <i>born after 1971</i> generally would have a maximum of 2 years in JOBS (after their 18th birthday). The JOBS rules would be changed to require parents born after 1971, including minors, to study, train, or work once their youngest child was age 1—in some cases, age 12 weeks. Persons who left AFDC before reaching their 2-year limit but who subsequently lost their jobs would be able to return to JOBS and could earn back up to 6 months of benefits for the time in which they were off AFDC.</p> <p>If they reached the limit without obtaining an unsubsidized job, they would be required to take a job in WORK, a new program required in all States. WORK assignments would be made in the public, private, and non-profit sectors and would pay the minimum wage, or, if higher, the wage rate paid by the same employer to persons performing the same type of work and having similar employment tenure with that employer.</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>Recipients remain eligible for benefits as long as they meet program rules.</p>	<p>States would have the option of dropping an AFDC family from AFDC rolls after the caretaker relative had participated in the work program for 3 years (after a maximum total of 5 years on AFDC). These persons would continue to qualify for Medicaid.</p>	<p>WF participants would remain eligible for AFDC payments, which would be based on hours spent in WF activities, but community service participants would not.</p>	<p>JOBS participants would receive AFDC benefits. Persons in WORK would receive wages for hours worked and might receive AFDC also (to prevent a loss in cash income). At the end of 2 consecutive WORK assignments (maximum of 2 years) or 2 years of WORK registration, a participant's situation would be reassessed. Persons then could be exempted, reassigned to JOBS or WORK, or assigned to intensive job search under a job developer. If a person then failed without good cause to apply for job openings, cooperate with the developer or employer or accept a private sector job, she/he would lose eligibility for AFDC or for a WORK assignment for 6 months.</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>ELIGIBILITY</p> <p>Needy Dependent Children Under Age 18 or 19:*</p> <p>1. Who live with one parent because of the death or continued absence from home of the other parent.</p> <p>2. Who live with two parents, one of whom is incapacitated.</p> <p><i>*Note:</i> AFDC eligibility ends on a child's 18th birthday (at State option, on 19th birthday if child is a full-time student expected to complete a secondary or technical school program before reaching age 19).</p>	<p>Coverage mandatory.</p> <p>Coverage mandatory.</p>	<p>States would be forbidden to give AFDC to a child born to an AFDC recipient or to an individual who received AFDC at any time during the 10-month period preceding the child's birth (unless the State adopted a law exempting itself from this Federal provision). [Sec. 305]</p> <p><i>Note:</i> Although the intent of this provision appears to require States to deny higher AFDC benefits to recipients who have additional children, under H.R. 3500 as currently drafted a child born to a woman who received AFDC while she was <i>pregnant</i> would be ineligible for AFDC benefits, unless the State adopted a law of exemption. (Under current law AFDC is available, at State option, for a pregnant woman in her third trimester.)</p>	<p>States would be forbidden to give AFDC to a child born (except in cases of rape or incest) to a member of a family while the family received AFDC or born during the 6 months before application for aid, unless the State plan explicitly permitted benefits for them. [Sec. 501]</p>	<p>States would have the option of denying benefits (or paying reduced benefits) to a baby conceived by a woman already receiving AFDC (or born to the minor mother of another AFDC child in the same family). To exercise this choice, States would have to assure access to family planning services to family members and to permit the family to offset the loss of a new child benefit by disregarding, as income counted against the benefit, a sum equal to that loss (in child support for the new baby, earned income, or other income of a family member). [Sec. 502]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>3. Who live with two parents, if the principal earner is "unemployed."</p>	<p>Coverage mandatory year-round in the 29 jurisdictions (27 States plus the District of Columbia and Guam) that operated an optional program of Aid to Families with Dependent Children-Unemployed Parent (AFDC-UP) on September 26, 1988. Coverage mandatory for at least 6 months (out of preceding 12 months) in the other 25 AFDC jurisdictions (23 States plus the Virgin Islands and Puerto Rico). <i>Note:</i> AFDC-UP is <i>not</i> offered in the Virgin Islands or Puerto Rico. [Sec. 407(b)(2)(B) of SSA]</p> <p>The requirement that States offer AFDC-UP expires on September 30, 1998. [Sec. 401(h) of the Family Support Act]</p>	<p>H.R. 3500 would give all States the option of placing a 6-month time limit on AFDC-UP benefits. As under current law, States could not end AFDC unless a family had received benefits for at least 6 months out of the preceding 12 months. [Sec. 101(b)(4)]</p>	<p>H.R. 4414 would permit States to disregard the rule against aid for needy two-parent families in which a parent worked 100 hours or more monthly [Sec. 505] and to disregard any time limit placed on duration of AFDC-UP by regulation [Sec. 506], if these policies were stated in the State plan. For married families in which both parents were under 20 years old, H.R. 4414 would remove the requirement that the unemployed principal earner have a specified work history (minimum number of quarters of work) in order to be eligible for AFDC-UP. [Secs. 233 and Sec. 507]</p>	<p>H.R. 4605 would give States the option to provide AFDC-UP to two-parent families who are needy despite working 100 hours or more a month. States also could ignore the requirement that the primary earner have a specified work history. [Sec. 702]</p> <p>H.R. 4605 would make permanent the requirement that States offer AFDC-UP, but would give the outlying areas with AFDC programs (Guam, Puerto Rico, Virgin Islands) the choice <u>not</u> to offer it. [Sec. 701]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
4. Who live with one parent and a stepparent.	AFDC law requires that part of the stepparent's income (<i>not including</i> the first \$90 in monthly earnings) be counted in determining AFDC eligibility and benefit amounts; marriage, hence, generally reduces benefits (the stepparent is not part of the AFDC unit/family). In seven States, however, State law requires that all stepparents assume the legal and financial responsibility of a natural or adoptive parent. In those States the stepparent is considered a natural parent for AFDC purposes and the family would be entitled to AFDC only if either the parent or the stepparent were incapacitated or the principal earner in the stepparent family were unemployed. [Sec. 402(a)(31) of SSA]	H.R. 3500 would permit States to continue AFDC benefits for the parent of an AFDC child who marries someone other than the child's other parent. The AFDC benefit (called a married couple transition benefit) would equal 50 percent of the amount payable immediately before the marriage and would be paid for not more than 1 year if the family's income does not exceed 150 percent of the poverty level. If the stepparent family were to be eligible under AFDC-UP, as could happen in the event of the stepparent's unemployment--but only if the family were living in one of the few States that make all stepparents legally and financially responsible for their stepchildren--it could get the full AFDC-UP benefit rather than the married couple transition benefit, but not both. [Sec. 307]		H.R. 4605 would raise the standard stepparent earnings disregard from \$90 to \$120 monthly and give States authority to adopt a higher amount. [Sec. 706]
Family Unit	Federal law requires that the AFDC "assistance unit" include any parent of a dependent child and any dependent brothers or sisters (except Supplemental Security Income (SSI) recipients, stepsiblings, and children receiving foster care or adoption assistance maintenance payments) who are living in the home. This means that eligibility and benefits are based on the income and needs of these family members. [Sec. 402(a)(38) of SSA]			

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Needy Essential Person	States may include in the assistance unit a person who lives with the child and caretaker relative and whose needs it determines are essential to the well-being of the child. Twenty-two States now use this "essential person" option. [Sec. 402(a)(7) of SSA]			H.R. 4605 would restrict the definition of an eligible essential person to one providing care for an incapacitated family member (including an SSI child) in the home or providing child care (or care for an incapacitated family member) that enables a caretaker relative to work outside the home, attend high school or GED classes, participate in JOBS, or receive training. [Sec. 703]

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Minor Parents and Their Children</p>	<p>Minor mothers may be treated as "adult caretakers" of their own children and head their own household.</p> <p>However, States are <i>permitted</i> to deny AFDC to the child of an unmarried parent under age 18--and to that parent--if they do not live with a parent, legal guardian, or other adult relative of the minor parent, or in a foster home, maternity home, or other adult-supervised supportive living arrangement (unless the State finds that this would entail abuse or danger). [Sec. 402(a)(43) of SSA]</p> <p><i>Note:</i> As of September 1993, four States (Connecticut, Delaware, Wisconsin, and the Virgin Islands) had chosen this option.</p> <p>If the parent of a dependent child is under age 18, the law requires that some of the income of the minor's own parent(s) (the child's grandparent(s)) who live in the same home shall be counted in determining AFDC eligibility and benefit amount. [Sec. 402 (a)(39) of SSA]</p>	<p>States would be required to deny AFDC to a child with a parent who is a minor (as defined by the State), unless the State enacts a law that exempts it from this rule. [Sec. 302]</p> <p>H.R. 3500 would allow States to give AFDC to the child of an unmarried parent under age 19--and to that parent--<i>only if they lived</i> with a parent, legal guardian, or other adult relative of the teenage parent, or in a foster home, maternity home, or other supportive living arrangement (unless the State found that this would entail abuse or danger) [Sec. 202] Thus, even if a State exempted itself from the ban on AFDC for the child of a minor, it could not give AFDC to the child of a teenage parent who lived independently.</p>	<p>H.R. 4414 would <i>require</i> States to deny AFDC to the child of an unmarried parent under age 19--and to that parent--<i>if they did not live</i> with the teenager's parent, other adult relative, or legal guardian, or in another adult-supervised supportive arrangement (unless the State found that this would entail abuse or neglect). [Sec. 502]</p>	<p>H.R. 4605 would <i>require</i> States to deny AFDC to the child of an unmarried parent under age 18--and to that parent--<i>if they did not live</i> with the teenager's parent, other relative, or legal guardian, or in another adult-supervised supportive living arrangement (unless the State found that this would entail abuse or neglect).</p> <p>The bill removes "foster home" as an approved residence. [Sec. 501]</p>
Income Limit	See page 13.			
Resource Limit	See page 11.			
Work Requirements	See page 16.			

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Job Search	Federal law <i>permits</i> a State to require job search by an <i>applicant</i> for AFDC. [Sec. 482(g) of SSA]	Under H.R. 3500, unless a State adopted an exemption law, it would have to require job search of an <i>applicant</i> for AFDC. [Sec. 904]	H.R. 4414 would require participation in job search as a <i>condition of AFDC eligibility</i> , except during a period of unsubsidized full-time employment in the private sector. [Sec. 102]	H.R. 4605 would lengthen the time of job search that the State could require of an <i>applicant</i> . [Sec. 103(g)]
Assignment of Child Support Rights	See page 53.			
Cooperation in Establishment of Paternity	See page 54.			
Citizenship or Alien Status	See page 97.			
CONDUCT REQUIREMENTS Drug Addicts and Alcoholics -- Treatment and Testing	Federal AFDC law requires payment of benefits to all families who meet the eligibility requirements, regardless of whether they are drug addicts or alcoholics.	As a condition of AFDC eligibility, each applicant or recipient who the State determines to be a drug addict or alcoholic would be required to agree to participate in (and maintain satisfactory participation in) an appropriate treatment program, and to agree to be tested for drugs or alcohol, without advance notice, during and after the treatment program. Moreover, each applicant or recipient who failed to comply with these requirements would be disqualified from AFDC during the 2-year period beginning with the failure to comply (the person still would be eligible for Medicaid). [Sec. 901(a)]	States would have the option of requiring Work First (WF) participants to undergo substance abuse treatment and to make this a provision of the participation agreement. [Sec. 301(a)(9)]	H.R. 4605 would permit States to require recipients to participate in substance abuse treatment available without charge to them; it would permit the State to penalize a person's failure or refusal to accept treatment (by removing her/him from the AFDC grant). [Sec. 102]

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Parenting and Money Management Classes	Federal law does not condition benefit payments on conduct (except for participation in JOBS and cooperation with child support efforts).	States would have the option of conditioning AFDC eligibility on whether recipients met requirements to attend parenting and money management classes, and whether they received permission from the welfare agency before taking any action that would require a change in the school attended by their dependent children. [Sec. 309]		H.R. 4605 would give States the option to use monetary incentives (and penalties) to encourage teenage AFDC custodial parents and expectant mothers--under age 20-- to complete high school or equivalent education and participate in <i>parenting education</i> activities. (States could extend the age limit 1 year, covering those already 20.) Incentives would be paid for more than minimally acceptable performance of required educational activities. [Sec. 504] See also <i>Case Management</i> below.
Preventive Medical Care	The AFDC program provides benefits to needy children and their families. AFDC families are automatically eligible for Medicaid services. AFDC law does not make eligibility contingent upon meeting health care requirements.	AFDC benefits would be denied for children under age 6 who have not received "preventive health care" (medical examinations at specified periods) or immunizations. [Sec. 907(a)] The State would be required to conduct appropriate education and outreach activities to increase public awareness regarding the importance of immunizations for preschool children, inform the public about the availability of preventive health care services, clinics providing free or reduced-price immunizations, and transportation and other supportive services that would help parents get their children immunized. [Sec. 907(a)]		

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
School Attendance	<p>Under the JOBS program, most young AFDC mothers (those under age 20) who failed to complete high school (or equivalent) must be required to participate in an "educational activity," regardless of the age of their youngest child. [Sec. 402(a)(19)(E) of SSA]</p> <p>The law provides that parents who fail to participate in JOBS shall lose their share of the AFDC grant and that the children's grant shall be paid to another adult serving as a "protective" payee. See "Sanctions," page 20. [Sec. 402(a)(19)(G)(I) of SSA]</p>	<p>States would have the option of reducing a family's AFDC benefit by up to \$75 per month for each parent under age 21 who has not completed secondary school (or equivalent) and each dependent child in the family who, during the previous month, failed, without good cause, to maintain minimum school attendance. [Sec. 304]</p>	<p>States would be required to reduce by 25 percent the AFDC benefit of a parent under 20 years old without a high school diploma or equivalent credential who failed, without good cause, to maintain minimum school attendance in the previous month. If the parent maintained minimum attendance, the State would be required to increase her/his benefit by 25 percent. [Sec. 504]</p>	<p>H.R. 4605 would give States the option to use monetary incentives (and penalties) to encourage teenage AFDC custodial parents and expectant mothers--under age 20--to complete <i>high school or equivalent education</i> and participate in parenting education activities. (States could extend the age limit 1 year, covering those already 20.) Incentives would be paid for more than minimally acceptable performance of required educational activities. [Sec. 504] See also <i>Case Management</i> below.</p>

WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
RESOURCES: LIMITS AND EXCLUSIONS	<p>To receive AFDC payments, a family cannot have counted resources that exceed \$1,000 (or lower State amount). All resources not excluded by law are to be counted. Excluded resources: the recipient's home, an automobile (with an equity value--family member's "ownership interest"--not above \$1,500, or a lower sum chosen by the State), a burial plot for each AFDC family member, a funeral agreement (within \$1,500 equity value limit--or lower State amount) for each family member, real property which the family is making a good-faith effort to dispose of, and at State option, basic maintenance items essential to day-to-day living, such as clothes and furniture. [Sec. 402(a)(7)(B) of SSA]</p>	<p>States would have the option of not including as a resource for 2 years up to \$10,000 in a "qualified asset account" held by an AFDC family, or by a family that left AFDC via earnings within the last year. [Sec. 308(a)]</p> <p>A qualified asset account is defined as a State-approved mechanism that allows savings of an AFDC family to be used for "qualified distributions," namely, payments for (1) attending an education or training program, (2) improving one's employability (e.g., purchasing an automobile), (3) buying a home, or (4) moving to another residence. [Sec. 308(b)]</p>	<p>H.R. 4414 would raise the limit for countable liquid resources to \$2,000 per family and would specify that the exclusion for a family member's "ownership interest" in 1 automobile should be the amount prescribed by the Agriculture Secretary under section 5(g) of the Food Stamp Act (that amount, the equity value limit, is \$1,500, same as the current AFDC limit). [Sec. 241] (<i>Note:</i> The intent here may have been to raise the auto limit to \$4,500 in fair market value.)</p> <p>States would be required to disregard up to \$8,000 placed in a qualified asset account [Sec. 242(a)]. A qualified asset account is defined as a State-approved mechanism that allows savings of an AFDC family to be used for distributions to fund: (1) attendance at a postsecondary program, (2) buying a home, (3) buying an automobile, or (4) establishing or operating a microenterprise. [Sec. 242(c)]</p>	<p>H.R. 4605 would raise the AFDC countable asset limit to \$2,000 per family (\$3,000 for a family with a member who is aged at least 60). These are the household income limits of the food stamp program. [Sec. 707]</p> <p>H.R. 4605 would exclude from countable resources:</p> <ul style="list-style-type: none"> --the cash value of life insurance policies (adopting the food stamp program rule). [Sec. 708(a)] --real property which the family is making a good faith effort to dispose of at a reasonable price (conforming to food stamp policy). [Sec. 708(b)] --refunds of the Earned Income Tax Credit for 12 months after receipt (adopting the law for food stamps). [Sec. 708(c)] --lump-sum payments for medical expenses or replacement of lost resources, for 12 months after payment. [Sec. 708(d)] <p>States would be required to exclude from countable resources up to \$10,000 (including interest) in one or more Individual Development Accounts (IDA) established under the Internal Revenue Code by an AFDC or food stamp recipient or in a demonstration project by a person eligible for the Earned Income Tax Credit (EITC) under the Individual Development Account Demonstration Act of 1994 (that act is part VII-C of</p>

WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				H.R. 4605). (Sec. 708(e)) See <i>Savings and Self-Employment</i> below for more about IDA proposal.
				H.R. 4605 would bar from AFDC for one year a family member who knowingly transfers resources for the purpose of qualifying for aid (adopting a food stamp rule). [Sec. 710]
		As an alternative to disregarding up to \$10,000 in a qualified asset account (above), States could exclude as a resource for up to 2 years the first \$10,000 of the net worth of all microenterprises owned by a family member. [Sec. 308(a)] Microenterprise is defined as a commercial enterprise with no more than 5 employees, 1 or more of whom are owners.	States would be required to disregard as a resource the first \$8,000 of net worth of 1 microenterprise (defined as in H.R. 3500) owned by the AFDC child or a member of his family. [Sec. 243]	H.R. 4605 would require States to disregard liquid and nonliquid resources used (or to be used) for the self-employment of a family member, to the extent allowed by the State in accordance with regulations to be issued by the Secretary of DHHS after consultation with the Secretary of Agriculture. [Sec. 708(f)]

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>INCOME: LIMITS AND DISREGARDS</p>	<p>Federal law imposes 2 income tests for AFDC:</p> <p>(1) Gross cash income cannot exceed 185 percent of the standard of need adopted by the State for a family of the same composition (in applying this test, States are allowed to exclude any earned income of a child who is a full-time student for up to 6 months. [Sec. 402(a)(18)]</p> <p>(2) Countable ("net") cash income cannot exceed the State need standard.</p> <p>Federal law requires that <i>all</i> income received by the recipient or applicant be counted against the AFDC benefit except that explicitly excluded by (1) definition or (2) deduction. [Sec. 402(a)(7) of SSA] Interest on savings is not excluded.</p>	<p>States would be required to disregard any interest or income earned on a qualified asset account and any qualified distribution from the account. See above for definitions. [Sec. 308(e)]</p>	<p>States would be required to disregard any interest or income earned on a qualified asset account and any qualified distribution from the account. See above for definitions. [Sec. 242]</p>	<p>H.R. 4605 would exclude from the gross income test: income from a program under the Job Training Partnership Act (JTPA) and similar programs, EITC payments (already excluded by law), non-recurring lump-sum payments, educational assistance, in-kind income, and certain payments under the National and Community Service Act of 1990. [Sec. 715]</p> <p>See <i>Savings and Self-Employment</i> below for proposal in H.R. 4605 for tax-deferred Individual Development Accounts.</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>Federal law requires States to disregard certain amounts of an AFDC family's earnings in determining its AFDC benefit, as follows:</p> <p><i>For the first 4 consecutive months of AFDC eligibility in which the recipient has a job:</i></p> <ul style="list-style-type: none"> -- first \$90 of monthly earned income, -- \$30 a month of earned income, -- one-third of remaining earnings, and -- actual dependent care costs of up to \$175 per month per dependent (up to \$200 per month for a child under age 2)--less for part-time work. <p><i>For months 5 through 12:</i></p> <ul style="list-style-type: none"> -- first \$90 of monthly earned income, -- \$30 a month of earned income, and -- actual dependent care costs (as above) <p><i>After 12 months:</i></p> <ul style="list-style-type: none"> -- first \$90 of monthly earned income, and -- actual dependent care costs (as above) [Sec. 402(a)(8) of SSA] <p><i>Upon application:</i> First \$90 of monthly earned income and actual dependent care costs (as above).</p> <p>States must disregard all earnings of an AFDC recipient child who is a student (at a school, college, university, or vocational or technical training) and not a full-time worker. States may also disregard all or part of earnings of an applicant child who is a full-time student and, for 6 months only, all or part of an applicant or recipient child's</p>	<p>States would have the option to increase the amount of disregarded earnings and to apply it to all months of work, up to this ceiling: disregard of the first \$200 monthly plus one-half of remaining earnings. [Sec. 306]</p>	<p>States would have the option to increase the amount of disregarded earnings and to apply it to all months of work, up to this ceiling: the first \$225 per month plus one-third of the remaining earnings. [Sec. 231]</p>	<p>H.R. 4605 would adopt one standard earnings disregard: \$120 monthly, adjusted by the Consumer Price Index. It would allow States to increase the disregard beyond this sum. [Sec. 705(b) and 705(c)]</p> <p>H.R. 4605 would require States to disregard all educational assistance provided to a family member. [Sec. 705(g)]</p> <p>It would permit States to disregard some income used to fill all or part of the gap between a State's need payment and its maximum payment level for a family of the same size. [Sec. 705(j)].</p> <p>It would require States to disregard all in-kind income of a family member. [Sec. 705(h)]</p> <p>It would require States to disregard any allowance, stipend or award under the National and Community Service Act. [Sec. 705(i)]</p> <p>H.R. 4605 would restrict the child/student's earnings disregard to a child under age 19 who is an elementary or secondary school student. [Sec. 705(a)]</p> <p>The bill would require States to disregard any stipend or allowance received under the JTPA by a family member. [Sec. 705(d)].</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>earnings derived from the Job Training Partnership Act (JTPA). States must disregard EITC payments as income.</p> <p>AFDC regulations state that "earned income" from self-employment means the total profit from business enterprise resulting from a comparison of the gross receipts with the business expenses. However, items such as depreciation, personal business and entertainment expenses, personal transportation, purchase of capital equipment, and payments on the principal of loans for capital assets or durable goods are not considered business expenses. [45 CFR Sec. 233.20(a)(6)(v)(B)]</p>	<p>States would have the option of considering as earned income, for a period of up to 2 years, only the net profits--not the total profits--of an AFDC family's microenterprise (defined above). The term net profits means the gross receipts of the business minus (1) payments of principal or interest on a loan to the microenterprise, (2) transportation expenses, (3) inventory costs, (4) expenditures to purchase capital equipment, (5) cash retained by the business for future use by the business, (6) taxes paid by the business, (7) insurance expenses, (8) reasonable costs of obtaining one motor vehicle necessary for the operation of the business, and (9) other expenses of the business. [Sec. 308(d) and 308(e)]</p>	<p>States would be required to treat as earned income only the net profits--not the total profits--of 1 microenterprise owned by a member of the AFDC family. [Sec. 243(a)(3)] The definition of net profits is the same as in H.R. 3500.</p>	
	<p>Countable nonrecurring income in excess of the State standard of need received by any member of the AFDC family in a month must be combined with other countable income received by the family that month. The family loses eligibility for the number of months that equal the quotient when total income (I) is divided by the State's need standard (N). The number of ineligible months = I/N. [402(a)(17) of SSA].</p>	<p>States would have the option of disregarding (as income or a resource) a nonrecurring lump-sum payment up to \$10,000 placed in a qualified asset account. [Sec. 308(c)]</p>	<p>States would be required to disregard (as income or a resource) a nonrecurring lump-sum payment up to \$8,000 placed in a qualified asset account. [Sec. 242]</p>	<p>H.R. 4605 would require States to disregard income received as non-recurring lump-sum payments. [Sec. 705(f)]</p>
	<p>Federal law requires States to disregard the first \$50 monthly in child support collections passed through to the AFDC family [Sec. 402(a)(8)(vi) of SSA]</p>		<p>States would be required to disregard the first \$100 monthly in child support collections passed through to the AFDC family. [Sec. 414].</p>	<p>The mandatory pass-through of child support collections (now \$50 monthly) would be adjusted annually by the Consumer Price Index. [Sec. 705(e)]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
BENEFITS	<p>Maximum AFDC benefits vary sharply from State to State. The maximum AFDC payment is the guaranteed cash income level for AFDC families with no countable income. As of January 1994, the maximum AFDC benefit for a three-person family ranged from a high of \$923 in Alaska (\$703 in Suffolk County, New York) to a low of \$120 in Mississippi. [45 CFR Sec. 233.20(a)(2)(iii)] Federal regulations require that the AFDC standard of need be uniformly applied throughout the State.</p>	<p>H.R. 3500 would impose a 2-year limit on benefits not conditioned on work for most parents without a child under 6 months old.</p> <p>States would have the option, in the case of an AFDC recipient who had not resided in the State for 12 consecutive months, to pay AFDC benefits "commensurate with" what the recipient would have received in his or her home State. [Sec. 303]</p>	<p>In the Work First program, AFDC payments would be based on hours spent in WF activities, and persons generally could participate in WF for only 2 years.</p> <p>The bill would give the States the option, upon the recommendation of the AFDC family's caseworker, to make a one-time lump-sum payment during a 3-month period equal to 3 times the monthly benefit amount. The bill calls this a "voluntary diversion program." [Sec. 232]</p>	<p>H.R. 4605 would impose a 2-year time limit on benefits not contingent on work for most AFDC adult parents born after 1971.</p> <p>The bill would repeal a provision [Sec. 402(a)(28) of SSA] that requires certain "fill-the-gap" States to make supplemental AFDC payments to families that experience a loss of income because child support payments are made to the child support agency rather than directly to them. These are States that both now and in July 1975 permitted AFDC families to use earnings or other private income to fill some or all of the gap between the State need standard and its maximum payment level. [Sec. 714]</p>
<p>WORK, EDUCATION, AND TRAINING PROGRAMS</p> <p>Purpose</p>	<p>Federal law states that it is the purpose of the JOBS program to "assure that needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependence." [Sec. 481 of SSA]</p>	<p>H.R. 3500 would amend the statement of purpose to read: "... to assure that needy families with children obtain the education, training, and work experience needed to prepare them for a life without welfare." [Sec. 101(a)]</p>	<p>H.R. 4414 states that the objective of a Work First program is for each program participant "to find and hold a full-time unsubsidized paid job" and for this goal to be achieved in a cost-effective fashion. [Sec. 301(b)]</p>	<p>The JOBS program, renamed <i>Enhanced JOBS</i> in the bill, would be restructured to emphasize paid work. States would be required to establish a WORK program.</p> <p>The bill says the purpose of WORK would be to help States develop and provide "positions of employment" for persons who have received AFDC for 24 months and participated in JOBS, but have not been able to secure unsubsidized jobs. [Sec. 201]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration BM, H.R. 4605 (S. 2224)
Coverage	States must establish a JOBS program and, to the extent that the program is available and resources otherwise permit, must require participation by all nonexempt adult recipients to whom the State guarantees child care. [Sec. 482 of SSA] Nonexempt recipients generally are able-bodied custodial parents without a child under 3 years old. [Sec. 402(a)(19) of SSA]	H.R. 3500 would require each "qualified" individual, generally, able-bodied custodial parents without a child under 6 months old, to participate in the transition component of the State AFDC program. [Sec. 101(b)(2)]	H.R. 4414 would repeal the requirement that States have a JOBS program. [Sec. 302(e)(1)] It would give States the option to have a Work First program, for which Federal matching funds would be made available. [Sec. 301(a)] States could require participation in Work First by AFDC recipients younger than 25 (but <i>not</i> teenage parents still in school) and <i>not</i> mothers recuperating from childbirth. The maximum age threshold would rise by 2 years each year. Up to 20 percent of initial WF enrollment could be persons already 25 years old.	H.R. 4605 would require States, to the extent that the program is available in the political subdivision, to require JOBS participation by non-deferred and non-exempt recipients born after 1971, including custodial minor parents (but not including children under 16 attending school full time) and not including AFDC-UP recipients in States that restrict benefits to 6 months out of 12. Generally required to participate in JOBS: Able-bodied applicants or recipients born after 1971 with no child under age 1 (in some cases, with no child under 12 weeks). (See <i>Exemptions</i>). States could require participation by other groups (identified by date of birth, date of application, or some other reasonable basis), and volunteers could apply. The 2-year time limit would apply only to <i>mandatory enrollees at least 18 years old</i> . (The bill would drop the language conditioning a State's obligation for JOBS coverage upon available resources.) H.R. 4605 is silent about coverage of persons already enrolled in JOBS at the effective date of the new program, but <i>Legislative Specifications</i> for the bill said States would be required to continue services to them.

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>Indian tribes and Alaskan native organizations may operate a JOBS program (with 100 percent Federal funds set aside from the State's JOBS allocation and based on their share of the State's adult AFDC population). [Sec. 482(i) of SSA] In FY 1994, JOBS funds were allocated to 84 Indian tribes and Alaskan native organizations in 24 States.</p>			<p>H.R. 4605 would <i>permit</i> Indian tribes and Alaskan native organizations to conduct both JOBS and WORK programs and to receive 100 percent Federal funds also for direct payments of needed child care for JOBS/WORK participants (and for transitional child care). [Sec. 204]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Time Limit	<p>The JOBS program imposes no time limit on general participation, but does limit the time a person <i>may be required</i> to participate in a work supplementation program, a community work experience program (CWEP), or job search. See below.</p>	<p>A qualified individual would be allowed to participate in the transition component for no more than 24 months (at State option, for a shorter period). [Sec. 101(b)(2)]</p> <p>States could end AFDC eligibility of the family of an individual after she or he was required to participate in the work program for a period (determined by the State) of at least 3 years. These ex-recipients would continue to qualify for Medicaid. [Sec. 101(b)(2)]</p>	<p>H.R. 4414 would impose a 2-year limit on participation in the Work First (WF) program [Sec. 301] and would ban AFDC benefits for anyone who exhausted the time limit unless, after 3 years in the Community Service program, they were readmitted to WF as repeaters. The bill limits repeat participants to 10 percent of total estimated participants. [Sec. 101]</p> <p>The bill also would impose a general 3-year limit on participation in the Community Service program. A State would be permitted to allow repeat participation in the Community Service program (or in Work First) by a jobless person who exhausted 36 months in the Community Service program, but the number of repeaters could not exceed 10 percent of the estimated total of participants during the year. [Sec. 101]</p>	<p>H.R. 4605 would impose a general 2-year limit on JOBS participation (and AFDC benefits not contingent on work) for most AFDC able-bodied adult parents who were born after 1971 and have no child under age 1. States could require time-limited participation by other groups (identified by date of birth, date of application, or some other reasonable basis), and volunteers would be permitted to apply. [Sec. 101]</p> <p>However, the 2-year time limit would apply only to <i>mandatory</i> enrollees at <i>least 18 years old</i>. (Exempt or deferred from required JOBS participation would be some persons born after 1971. See <i>Exemptions</i>.)</p> <p>Operation of the 2-year JOBS time clock [Sec. 104]:</p> <ul style="list-style-type: none"> --For persons applying after new law takes effect, clock <i>starts</i> in month when first receive AFDC as an adult, when at least 18 years old. --For persons (born after 1971) and on AFDC at time of new law's effect, clock <i>starts</i> in month when eligibility is redetermined for first time under new law. --For one-parent families, clock <i>stops</i> for months during which the parent works at least 20 hours weekly (or a higher threshold, up to 30 hours, set by the State). --For 2-parent families (AFDC-UP), clock <i>stops</i> for months during which

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>the average number of hours worked by both parents exceeds 30 (or a higher number, but not above 40, set by the State).</p> <p>--For all, clock <i>continues ticking</i> in any month in which the participant is being sanctioned.</p> <p>--For part-time workers, clock <i>continues ticking</i> in any month in which the participant fails to accept an offer of more hours or work or reduces hours of work.</p> <p>--For persons exempted, clock <i>does not operate</i> during months of deferral or exemption.</p> <p>Persons who left AFDC before reaching their 2-year limit would be able to return to JOBS and could earn back up to 6 months of benefits (at the rate of 1 month for each 4 months during which they were off AFDC). [Sec. 104]</p> <p>Extensions of time--The bill would require States to extend the 2-year limit for persons receiving services under the Individuals with Disabilities Education Act (IDEA) and for those in a structured learning program (including a program under the School-to-Work Opportunities Act) until age 22, or longer if necessary to complete their programs (high school or equivalency in the former case). States would be permitted to extend the limit to enable a person to</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>complete high school or an equivalent program (12 months), to enable a person enrolled in a work-study program and working at least 15 hours a week to complete a postsecondary program (24 months), and to enable a person with significant learning disabilities or other work barriers to obtain needed education and training (amount of time it finds appropriate in individual cases). [Sec. 104]</p> <p>The bill would require a State to extend the 2-year limit for a person unable to complete activities in the employability plan because of the State's failure to provide child care or other agreed-upon service. [Sec. 104]</p> <p>After 2 years in work, a participant's situation would be reassessed. Persons then could be exempted.</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>The maximum length of time a recipient <i>may be required</i> to spend in work supplementation is 9 months. After 6 months in a CWEP position and at the end of each CWEP assignment, the AFDC agency must reassess the recipient's employability plan. After 9 months in a CWEP position, the maximum number of hours a recipient must work is based on the rate of pay for individuals employed in the same or similar positions by the same employer at the same site rather than on the legal minimum wage. [Sec. 482(e) and 482(f) of SSA]</p>			<p>reassigned to JOBS or WORK, or assigned to intensive job search under a job developer. If a person then failed without good cause to apply for job openings, cooperate with the developer or employer or accept a private sector job, she/he would lose eligibility for AFDC or for a WORK assignment for 6 months. [Sec. 201]</p> <p>The bill's time limit would <i>not</i> automatically apply in Puerto Rico, the Virgin Islands, or Guam. If these areas chose to adopt it, they would be required to establish WORK. [Sec. 205]</p> <p>H.R. 4605 would increase to 12 months the maximum duration of a work supplementation job. [Sec. 103(f)]</p> <p>The bill would limit exemptions/deferments from the time limit made at State discretion (See <i>Exemptions</i>). It would limit extensions of the time limit caused by State failure to provide services or made at State discretion (to 10 percent of the average monthly number of persons required to participate in JOBS) [Sec. 104] A State would be charged with erroneous payments if its time-limit exemptions or extensions exceeded the percentage limits. [Sec. 402] Further, after the first year of the revised JOBS program or the new WORK program in a State, excessive</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>exemptions or extensions would cause a reduction in Federal matching funding for AFDC benefits. [Sec. 202]</p> <p>To assist in operating a national time-limited welfare "clock," the bill would require the DHHS Secretary to establish and operate a National Welfare Receipt Registry. The Registry would contain the following information reported by States about persons receiving (or who have received) AFDC benefits or WORK wages:</p> <ul style="list-style-type: none"> --name, birthdate, social security number --months for which aid was paid (plus sanction months with no benefit) --months of exemption from time limit --months of extension of time limit --months of WORK registration and WORK assignment --(possibly) other information determined useful by the Secretary. <p>The bill would authorize \$6 million for FY 1995 to establish and operate the Registry and \$4 million annually for FYs 1996-1999. The bill would require States to provide information to the Registry in a manner to be decided by the Secretary. [Sec. 403]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	The maximum length of time that an AFDC applicant <i>may be required</i> to spend in job search is 8 weeks; for AFDC recipients the maximum time is 8 weeks per year. [Sec. 482(g) of SSA]			Job Search--H.R. 4605 would increase to 12 weeks the maximum time that States could require applicants to spend in job search; for recipients it would increase the maximum length of job search to 4 months in a 12-month period. [Sec. 103(g)]

WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED

Item	Current law	House Republican Bill, H.R. 3500	McCordy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Exemptions	<p>Exempt from JOBS are (1) persons who are ill, incapacitated, or of advanced age; (2) children under age 16; (3) children between ages 16 and 18 (or 19, at State option) who are attending full time an elementary or secondary school or who are enrolled in a vocational or technical program full time; (4) parents or other relative caretakers of a child under age 3 (at State option, under age 1) who are personally providing care for the child; (5) parents or other relative caretakers of a child between 3 and 6, unless child care is "guaranteed" (required participation cannot exceed 20 hours per week); (6) persons whose presence in the home is required because of the illness or incapacity of another household member; (7) persons working 30 hours or more a week; (8) pregnant women in their second or third trimester; and (9) persons living in areas where the program is not available. [Sec. 402(a)(19)(C) of SSA]</p>	<p>Qualified individuals are defined as (1) persons eligible for AFDC who applied for such aid on or after October 1, 1994 and are not exempt from participation requirements and (2) beginning October 1, 1998, persons eligible for AFDC (regardless of when they applied) who are not exempt from participation requirements. [Sec. 101(b)(2)]</p> <p>Exempt individuals are (1) persons who are incapacitated; (2) persons who work 30 or more hours per week; (3) persons who attend full time, an elementary, secondary, or vocational (or technical) school; (4) parents of a child who was removed from the home and recently returned (within preceding 2 months); (5) persons providing full-time care for a disabled dependent; (6) at State option, persons who are making progress in a substance abuse treatment program, unless the person has already been exempt for 12 months; (7) first-time mothers during such 6-month period that they choose that encompasses the birth of the child; and (8) mothers who already have a child during such 4-month period that they choose that encompasses the birth of their second or subsequent child. [Sec. 101(b)(3)]</p>	<p>A State would not be permitted to require WF participation by a person who is under 20 years old (a teenager) and "has attended secondary school or has been engaged in obtaining a certificate of high school equivalency". (Note: the intent here appears to be to exempt student teenagers); who has had a part-time job and has been a part-time student in technical or vocational courses; who is incapacitated or who is recuperating from childbirth. The bill also would exempt (for the first 12 weeks) a person who is pregnant, obtains custody of a child or becomes a child's guardian within 3 months before the date when she/he could otherwise be required to participate (upon turning 20, for example). [Sec. 301]</p>	<p>Not required to participate in JOBS (exempt or deferred) would be (1) an adult custodial parent of a child under age 1, (2) a custodial parent of a child under 12 weeks old who was conceived during a month when the mother received AFDC (for another child), (3) a teen-age custodial parent without a high school diploma who has a baby under 12 weeks old, (4) a woman in the third trimester of pregnancy, (5) a person aged 60 or more; (6) a person needed in the home because of illness or incapacity of another household member; (7) a person found to have an illness or incapacitating condition that at least temporarily prevents her/him from work or training; (8) a person who lives where commuting time to JOBS would exceed 2 hours; or (9) a person who meets another deferral/exemption criterion specified in the State plan; (a limit would apply to these "good cause" deferrals--5 percent of the average number of persons required to be in JOBS--or WORK--through FY 1999 and 10 percent thereafter). [Sec.101]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>A qualified individual could be permitted but not required to participate in the transition component if, on the basis of demographic criteria, the State finds it unlikely that she or he would be an AFDC recipient during a "significant length" of time. [Sec. 101(b)(2)]</p> <p>A qualified individual could not participate in the transition component if she or he had elected to participate in the work component. [Sec. 101(b)(2)]</p>		
		<p>The State could exempt a qualified individual from participating in the transition component for 12 of the first 24 months if the person were determined to be a drug addict or alcoholic, was participating in an appropriate treatment program, and had agreed to be tested for drugs or alcohol. [Sec. 101(b)(2) and Sec. 901]</p>		

WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Program Activities	<p>State JOBS programs must include educational activities (as appropriate), including high school or equivalent (combined with training as needed), basic and remedial education to achieve basic literacy level, and education for individuals with limited English proficiency; job skills training; job readiness activities; and job development and placement. [Sec. 482(d) of SSA]</p>	<p>JOBS--Each State's JOBS program would be expanded to include a transition component and a work component. Each State's transition component would have to include a job search program and might include any other service, activity, or program of the State's JOBS program (e.g., educational activities, job skills training, job readiness activities, job development and placement, on-the-job training, etc.). [Sec. 101(b)(1)] Persons in the transition component would have to spend an average of at least 10 hours weekly in agreed-upon activities. [Sec. 101(b)(2)]</p>	<p>Work First (WF)--A mandatory component of the program would be the creation of jobs, with an emphasis on private sector jobs. To move participants into full-time unsubsidized jobs, States would be authorized to use a "revamped JOBS" program similar to the GAIN program operated by Riverside County, CA; contracts with private job placement companies; a subsidized job program similar to the JOBS Plus plan in Oregon (not yet in operation); grants and loans to nonprofit organizations to promote microenterprises by AFDC families; a work supplementation program. [Sec. 301]</p> <p>The bill states that, where necessary, a Work First participation agreement should provide for the participant's education or training. States would be required to use and make available to Work First participants (through Federal or State one-stop employment shops) services under these laws: Job Training Partnership Act, Carl D. Perkins Vocational and Applied Technology Education Act, Adult Education Act, Elementary and Secondary Education Act (Even Start provisions), McKinney Homeless Assistance Act, School-to-Work Opportunities Act, the National and Community Service Act, and National Skill Standards Act. Persons in WF would have to spend at least 20 hours weekly on agreed-upon activities. [Sec. 301]</p>	<p>JOBS--Group and individual job search would become a required JOBS component. Activities required under current law would continue to be mandatory, but the requirement for "basic and remedial education" would be replaced by a requirement for "employment-related education to achieve literacy levels needed for economic self-sufficiency." [Secs. 103(b) and 103(c)] A new optional JOBS activity would be programs to prepare for self-employment or to enable recipients them to establish a microenterprise. [Sec. 103(d)] State plans would have to describe whether and how they would provide training to prepare persons as child care providers. [Sec. 103(e)]</p> <p>Not later than 90 days before recipients reached their 2-year JOBS limit, States would be required to evaluate their progress, determine whether extensions were necessary and available, and notify them about the requirement for job search, which would have to commence not later than 45 days before the end of the 2-year period. [Sec. 102]</p> <p>At least once each 6 months the State would be required to reassess the JOBS enrollee's progress and review the employability plan. [Sec. 102]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>In addition, States must offer at least two of the four following items: group and individual job search; on-the-job training; work supplementation program; or community work experience program (CWEP) (or another work experience program approved by the Secretary of DHHS). [Sec. 482(d) of SSA]</p>	<p>Work Component--Each State's work component might include a work supplementation program (as revised by the bill), a community work experience program (as revised by the bill), or any other work program of the State that is approved by the Secretary of DHHS). [Sec. 101(b)(1)]</p> <p>Single parents in the work component would have to participate 35 hours weekly (30 hours if she/he also were required to engage in job search). For an AFDC-UP family, 32 hours of work activities would be required weekly, plus 8 hours of job search. [Sec. 101(b)(2)]</p> <p><i>Note:</i> In a work supplementation program, the AFDC grant subsidizes a job.</p>	<p>Community Service Program--Each State that chose to have a WF program would be required to establish and operate a community service program. The State would be required to provide each participant with a "full-time" community service job (for at least 30 hours of work per week) that would pay the applicable minimum wage. If a participant obtained a part-time unsubsidized private job, the State would be required to provide her/him with a part-time community service job to raise total work hours to 30 hours. A person could receive a maximum of 3 community service jobs. [Sec. 301]</p> <p>A community service job is defined as a job provided by the State AFDC agency or a job provided by any other employer for which all or part of the wages are paid by the State. In community service programs States could contract with private companies for job placement, establish a program similar to Oregon's pending JOBS-Plus plan, or operate a work supplementation program.</p>	<p>WORK--States would be required to establish a WORK program. WORK jobs would be designed to provide temporary, last-resort work for wages for persons who have reached the 2-year time limit without finding a private sector job. Individual WORK placements would be limited to 1 year, and job search would be required after each WORK assignment. States would determine required hours of WORK, within a range of 15 to 35 hours weekly. States could negotiate contracts with private companies, placement services, community organizations, State or local government agencies to accept or place WORK participants. Strategies and activities for job placement might include: wage subsidies, performance-based contracts, payments to nonprofit employers to assist in supervision of participants, aid to participants in self-employment efforts, payments to nonprofit employers and public agencies to employ persons in temporary projects serving community needs, payments to employ participants as child care providers. WORK registrants not yet placed would receive their full AFDC grants. States would be required to assess each initial registrant's experience and education and to make a comprehensive reassessment after 2 WORK assignments (or 2 years as a registrant). [Sec. 201]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>The State AFDC agency may require job search by an individual applying for AFDC beginning at the time such individual applies for aid and continuing for a period of not more than 8 weeks. Moreover, at the end of the 8-week period the State agency may require the recipient to participate in job search activities for another period of not more than 8 weeks in any 12-month period. [Sec. 482(g)(2) of SSA]</p>	<p>Job Search--Unless a State adopted an exemption law, the State would have to require each AFDC applicant to participate in job search activities while his or her application was pending. The State would be required to reimburse the applicant for necessary transportation and child care expenses caused by job search. [Sec. 904].</p>	<p>Job Search--As noted under <i>Eligibility</i>, participation in job search would become a condition of eligibility for AFDC. In addition, each participant in the community service program would be required to spend a minimum of 5 hours weekly on efforts to obtain a private unsubsidized full-time job. [Sec. 301]</p>	<p>Job Search--States would be allowed to require job search for 12 weeks by AFDC applicants and, upon approval of the application, would be required to require job search by a recipient with "non-negligible" work experience or with a high school diploma or equivalent credential. The maximum length of job search would be increased to 4 months in a 12-month period. [Sec. 103(g)] Job search, would be required before WORK registration and after WORK assignments.</p>
<p>Employability Plan/ Responsibility Agreement</p>	<p>Federal law requires States, in consultation with the participant, to develop an employability plan and specifies that it shall <i>not</i> be considered a contract. The law permits States, after development of the employability plan, to require JOBS participants (or the adult caretaker in the family of which the participant is a member) to enter into an agreement with the State AFDC agency detailing the participant's obligations, duration of participation, activities to be undertaken, and services to be provided. If the State agency requires participants to enter into an agreement, it must give the participant any needed help to review and understand the document. [Sec. 482(b)(2) of SSA]</p>	<p>JOBS participants would be required to cooperate with the State in developing a written plan to prepare the recipient for work that describes the responsibilities of State and recipient. The plan would have to state that if the recipient did not obtain an unsubsidized job after 2 years in the transition program (or after a shorter period, at State option), she/he would be required to work in exchange for continued AFDC payments. [Sec. 101(b)(2)]</p>	<p>H.R. 4414 would require a case management team to meet with WF participants and to develop a participation agreement that contains an individualized comprehensive plan to move the AFDC recipient into a full-time unsubsidized job. The agreement must provide that the AFDC payment is to be based on the number of hours spent in activities specified in the agreement, that the participant will spend at least 20 hourly weekly on these activities, and that she/he will accept any bona fide offer of unsubsidized full-time work (unless there is good cause for not doing so). [Sec. 301(a)(9)]</p>	<p>Under H.R. 4605 States would have to require AFDC applicants to sign a "personal responsibility" agreement concerning goals and mutual obligations of the recipient and the welfare agency. In the case of custodial parents born after 1971, the agreement would have to state that cash aid is subject to a general 24-month limit. Thereafter, the State would be required to assess the needs and abilities of the individual (except for persons deferred or exempt from JOBS) and, within 90 days of the first AFDC payment, to jointly develop an employability plan. The bill stipulates that the plan shall <i>not</i> be considered a contract. [Sec. 102].</p>

WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Hours Required (Participation Measure)	<p>Federal regulations stipulate that participation is to be measured in terms of a 20-hour-per-week standard. Under this rule, the welfare agency is instructed to count as participants the largest number of persons whose combined and averaged hours during the month equal 20. [45 CFR Sec. 250.78]</p> <p>Federal law requires that at least one parent in each AFDC-UP family participate at least 16 hours a week in a work activity.</p>	<p>Each qualified individual in the transition component would have to participate for an average of not fewer than 10 hours per week. [Sec. 101(b)(2)]</p> <p>If a qualified individual (who is not a member of an AFDC-UP family) were not participating in the transition component, the State would have to require the person to participate in the work component for 35 hours per week (30 hours per week if the individual also were required to engage in job search). [Sec. 101(b)(2)]</p> <p>The State would have to require at least one parent in an AFDC-UP family to participate in the work component by engaging in work activities for 32 hours per week and by engaging in job search activities for 8 hours per week. [Sec. 101(b)(2)]</p>	<p>WF participants would be required to spend at least 20 hours per week in agreed-upon activities.</p> <p>Community Service participants would be required to work a minimum of 30 hours weekly and to spend at least 5 hours weekly on activities related to securing unsubsidized full-time private work. (States could request a waiver of the 30-hour rule if it were too costly for the State.)</p>	<p>H.R. 4605 would require State JOBS plans to provide that if a person works an average of 20 hours a week (or a higher number chosen by the State, up to 30 hours), work in that position shall be the primary activity under the person's employability plan. [Sec. 102] <i>Legislative Specifications</i> for the bill refer to this as requiring the States to have a <i>minimum work standard</i> and state that a person who had not reached the time limit and was meeting the State's minimum work standard would be counted as a JOBS participant.</p> <p>The bill would require that WORK assignments over a 4-week period average at least 15 hours a week, but not more than 35 hours per week. [Sec. 201]</p>
		<p>States would be required to regard as participants (in the transition component) persons enrolled in a full-time program of study at an educational institution who are making satisfactory progress in his or her studies as determined by the institution. H.R. 3500 would require the DHHS Secretary to prescribe rules governing how to convert time spent in this kind of study program into hours of participation in the transition program. [Sec. 101(b)(2)]</p>		<p><i>Legislative Specifications</i> for the bill state that DHHS would issue regulations to permit half-time postsecondary students in degree-granting institutions to be treated as JOBS participants even if their scheduled class hours are below 20 per week.</p>

WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Full-Time Versus Part-Time Work	<p>Federal law allows State JOBS programs to require full-time work only by parents <i>without</i> a preschool child. The law prohibits a State from requiring more than 20 hours of work weekly by a JOBS parent with a child <i>below</i> age 6. [Sec. 402(a)(19)(C) of SSA]</p> <p>The law permits States to require full-time <i>school attendance</i> by a mother under age 20 who has not completed high school even if her youngest child is under age 3. [Sec. 402(a)(19)(E) of SSA]</p>	No provision.		<p>H.R. 4605 would exempt from operation of the 2-year time clock any month in which a JOBS enrollee worked at least 20 hours a week (the State could set a higher part-time minimum requirement, but not above 30 hours). [Sec. 104]</p> <p>H.R. 4605 would permit States to set WORK assignment hours between 15 and 35 hours weekly. [Sec. 201]</p> <p><i>Note:</i> Part-time workers in JOBS and WORK usually would qualify for AFDC supplementary benefits.</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Participation Rates</p>	<p>Federal law sets the general JOBS participation rates at 7 percent in FYs 1990-1991, 11 percent in FYs 1992-1993, 15 percent in FY 1994, and 20 percent in FY 1995. For years after FY 1995, no general participation rates are specified in the law. [Sec. 403(l)(3)(A) of SSA]</p> <p>Special participation rates apply to AFDC-UP (2-parent) families. Moreover, the law specifies that they must engage in work or job training. Required to participate for at least 16 hours a week in <i>work supplementation, community work experience or other work experience program, job training, or a State-designed work program</i>, are 40 percent of AFDC-UP families in FY 1994, 50 percent in FY 1995, 60 percent in FY 1996, and 75 percent in FYs 1997-1998. The work rule applies to at least 1 parent in these 2-parent families. (A State may substitute participation in an educational program in the case of an AFDC-UP parent under age 25 who has not completed high school or equivalent.) [Sec. 403(l)(4) of SSA]</p>	<p>Under H.R. 3500, with respect to nonexempt persons who applied for AFDC before October 1, 1994, the general participation rates would be the same as in current law, except that the schedule would extend beyond FY 1995, providing a 20-percent rate in FYs 1996-1998. [Sec. 101(b)(5)]</p> <p>Under H.R. 3500, the special participation rates for persons in the AFDC-UP program would be the same as under current law, except that in FY 1998 the rate would be 90 percent. [Sec. 101(b)(6)]</p> <p>With respect to nonexempt persons who applied for AFDC on or after October 1, 1994, the general participation rates would be 30 percent in FY 1996, 40 percent in FY 1997, and 50 percent in FY 1998. [Sec. 101(b)(5)]</p> <p>With respect to all nonexempt persons, regardless of when they applied for AFDC, the general participation rates would rise to 60 percent in FY 1999, 70 percent in FY 2000, 80 percent in FY 2001, and 90 percent in FY 2002. [Sec. 101(b)(5)]</p>	<p>H.R. 4414 would abolish JOBS and its minimum rates of required participation. The bill provides that if the Secretary of Health and Human Services finds that a State's WF and Community Service programs have failed as a whole to meet performance standards (to be developed by the State), the Federal matching rate is to be reduced from 80 percent to 50 percent.</p>	<p>H.R. 4605 would abolish the general JOBS participation rates [Sec. 202], (but it would continue the special rates for AFDC-UP families, which are scheduled to reach 75 percent in FY 1997).</p> <p>It would require the DHHS Secretary to issue regulations concerning the definition and measurement of "participation" for purposes of JOBS and WORK Federal funding. [Sec. 202]</p> <p>The bill provides that Federal matching funds for AFDC benefits would be reduced if <i>participation standards</i> for JOBS and WORK are not met--and that extra funds would be paid for JOBS if the standards are exceeded by 10 percentage points or more. The JOBS standard would require that the average monthly number of JOBS participants, including those being sanctioned, equal at least 45 percent of the average monthly number of all time-limited recipients. Failure to meet this standard would cause a 25 percent reduction in the matching rate for a portion of AFDC benefits (those for the number of persons below the standard). If the State achieved a 55 percent JOBS participation rate (measured as above), it would be eligible for extra JOBS funds, fully federally financed.</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>The bill states that a State would meet its WORK participation standard if: (1) the average monthly number of positions to which WORK registrants are assigned equals the number that the Secretary requires to be established or (2) the average monthly number of persons with WORK assignments plus the number of registrants participating in job search after a WORK assignment (for no longer than 3 consecutive months), being sanctioned or in unsubsidized employment (after being in WORK in the previous quarter) and not receiving AFDC equals 80 percent of the sum of the average monthly number of WORK registrants and the average monthly number of recent WORK participants in unsubsidized jobs. Failure to achieve the WORK participation standard would cause a reduction in the Federal matching rate for AFDC payments to the average monthly number of persons by which the State fails to meet the standard. [Sec. 202]</p> <p>However, the bill provides that during the first year of the revised JOBS program or the new WORK program, the penalty of a reduced matching rate for some AFDC benefits would not be applied for failure to meet participation standards. [Sec. 202]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Wages and Fringe Benefits in Subsidized Jobs</p>	<p>The law permits States to use AFDC funds for a maximum of 9 months to subsidize jobs in a program called work supplementation. Work supplementation jobs do <i>not</i> entitle a person to "employee" status during the first 13 weeks of the job. Work supplementation wages are eligible for the Earned Income Tax Credit (EITC) and are treated as earned income by other benefit programs. [Sec. 482(e) of SSA]</p>	<p>Under H.R. 3500, States would be able to use food stamp benefits as well as AFDC benefits to provide subsidized jobs for work supplementation participants. [Sec. 103(b)(1)]</p> <p>Employers would have to pay work supplementation participants a "salary" as least equal to the family's prior AFDC benefit and if the State elected to include food stamps at part of the subsidy, the State would have to pay the participant a salary at least equal to what the family would have otherwise received in combined AFDC and food stamp benefits. [Sec. 103(b)(2)]</p>	<p>In the case of the work supplementation program, the private employer would have to pay the participant wages equal to the poverty threshold for a family of 3 persons (\$5.54 an hour, based on the most recent poverty threshold, for 1993). As under current law, the wages would be eligible for the EITC and would be treated as earned income by other benefit programs; the jobs would not entitle persons to employee status during the first 13 weeks of work. [Sec. 301]</p> <p>Community service jobs would have to pay the highest applicable minimum wage, and the wage could <i>not</i> be considered earned income for any purpose of law. [Sec. 301]</p>	<p>WORK assignments would have to pay the highest applicable minimum wage (Federal, State, or local), or, if higher, the rate paid by the same employer to persons performing the same type of work and having similar employment tenure with that employer. [Sec. 103(j)] WORK participants would have to receive benefits, including health benefits, that the employer provides to others with the same job tenure doing the same kind of work (unless the agency found that this would impose an undue financial burden on the employer or State). The DHHS Secretary would be authorized to establish a minimum number of hours that WORK participants could use for paid sick and personal leave and, if the employer did not offer these benefits to similar workers, the State would be required to "implement" them for those in WORK jobs. Workers' compensation would have to be provided, and the work would be covered by social security (and subject to the social security tax). Wages would not be subject to unemployment insurance taxes. They would <i>not</i> be eligible for the EITC. For purposes of other welfare benefits (food stamps, housing, etc., WORK wages would be treated as earnings). If a person failed to work the required hours, without good cause, the AFDC supplement would <i>not</i> be increased to offset some of the wage loss. Over a</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>4-week period, WORK assignments could not average less than 15 hours of work per week, nor more than 35 hours. WORK wages would be eligible for AFDC supplementation. States would have to pay an AFDC supplement if the wages offered for the assigned number of hours of work, minus the standard \$120 monthly earnings disregard, fell short of the State's AFDC payment level (countable income limit). (If a State offered a higher earnings disregard to workers outside the WORK program, it could choose whether or not to extend this bonus to those in WORK.) The AFDC sum could <i>not</i> be increased to offset wages lost because of a WORK participant's failure to work the full number of hours.</p> <p>The bill requires States to ensure, to the extent practicable, that WORK wages, on the average, equal 75 percent of the sum of wages plus AFDC. [Sec. 201]</p>

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Displacement Rule	Federal law stipulates that no work assignment under the JOBS program result in the displacement of any currently employed worker or position or the employment or assignment of a participant or the filling of a position when (1) any other individual is on layoff from the same or any equivalent position or (2) the employer has ended the employment of any regular employee or otherwise reduced its workforce with a participant subsidized under the JOBS program. It states that no participant may be assigned under Sec. 482(e), work supplementation, or (f), community work experience, to fill any established unfilled position vacancy. [Sec. 484(c) of SSA]	H.R. 3500 would allow States to assign work supplementation participants to unfilled jobs. [Sec. 103(a)]		H.R. 4605 would prohibit States from placing a person in a WORK job that would displace any currently employed worker. This prohibition extends to "partial displacement" by reducing hours of non-overtime, work wages or employment benefits. [Sec. 103(j)]
Right of Job Refusal	Federal law requires JOBS participants to accept a bona fide offer of employment unless there is "good cause" for refusal. It permits the parent of a child under 6 years old to refuse a job that requires more than 20 hours of work per week. It permits job refusal if needed child care is not available. The law provides that a JOBS participant may not be required to accept a job if it would cause a net loss in cash income (and authorizes Federal matching funds for supplementary payments that a State might have to make to maintain the family's net cash income). [Sec. 402(a)(19)(G) and 402(a)(19)(H) of SSA]			JOBS and WORK program participants would be required to accept any offer of an unsubsidized job, provided the job met certain health and safety standards. Persons in WORK would be assured an AFDC payment that would prevent a loss in cash income from the assignment. States would be required to pay a supplemental benefit to a person whose WORK program earnings minus the new standard earnings disregard (\$120 per month) were less than the family's AFDC benefit would have been if it had no countable income. [Sec. 201] (See <i>Sanctions</i> for penalties for nonparticipation or job refusal.)

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Sanctions	<p>Federal law provides this penalty for failure to meet JOBS requirements without good cause: Denial of AFDC benefits to the noncooperating parent with payment for the children made to a third party, usually a relative, friend, or neighbor. In the case of the recipient's first failure to comply, the period of ineligibility lasts until the recipient complies; for a second failure to comply, until the recipient complies or 3 months, whichever is longer; and for any subsequent failure to comply, until the recipient complies or 6 months, whichever is longer. [Sec. 402(a)(19)(G) of SSA]</p>	<p>H.R. 3500 provides this penalty schedule: In the case of the first failure to comply, the family's AFDC payment would be reduced by an amount equal to 25 percent of the family's combined AFDC and food stamp benefits, until the recipient complied. In the case of the second failure to comply, the above sanction would apply. In the case of the third failure, the entire family (of the noncooperating recipient) would lose eligibility for AFDC. Any first failure to comply that continues for more than 1 month would be considered the second failure, and any second failure that continues for more than 3 months would be considered the third failure to comply. Families that lost AFDC because of failure to comply would continue to be eligible for Medicaid benefits. [Sec. 101(b)(2)]</p> <p><i>Note:</i> Although the noncomplying recipient's family cash loss would equal 25 percent of combined AFDC and food stamp benefits, his or her total benefit loss would be less than 25 percent (17.5 percent) because food stamp benefits generally increase 30 cents for every dollar lost in income. (The food stamp increase would offset 30 percent of the cash loss.)</p>	<p>WF participation agreements must provide that the participant will accept any bona fide offer of an unsubsidized full-time job, unless she/he has good cause for refusal, and H.R. 4414 imposes this penalty for failing without good cause to comply with a signed participation agreement: reduction of the monthly benefit by 25 percent for each act of noncompliance. [Sec. 301]</p> <p>A participant in the Community Service program who fails without good cause to comply with a signed participation agreement under the program must be given an opportunity to change community service jobs. [Sec. 301]</p>	<p>H.R. 4605 would set the penalty in JOBS for refusing a job offer without good cause at loss of the <i>family's</i> AFDC benefit for 6 months or until the adult accepts work. [Sec. 101] For other failures in JOBS participation it would continue current penalties--loss of the offending parent's share of the grant.</p> <p>Penalties in the WORK program:</p> <ul style="list-style-type: none"> --refusal to accept a job offer without good cause, loss of the <i>family's</i> benefit for 6 months, as in JOBS. --quitting, dismissal from, or refusal to accept a WORK assignment without good cause, reduction of 50 percent in the family's grant for 1 month (1st occurrence); for 3 months (second occurrence); loss of the family's benefit (100 percent cut) for 3 months (third occurrence); and loss of the family's benefit for 6 months (fourth and subsequent occurrences). --refusal to participate in job search or other required WORK activity, same penalty schedule as for quitting assignment without food cause (immediately above) --quitting an unsubsidized job without good cause, loss of eligibility to register for WORK for 3 months. [Sec. 201] <p>The bill would require that priority on WORK assignment waiting lists be given to persons who are being</p>

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				sanctioned (or whose sanction has ended) for quitting dismissal from, or refusal to accept a WORK assignment or for failing to engage in job search. [Sec. 201]
Performance Standards	The Family Support Act, which established JOBS, required the DHHS Secretary to develop performance standards by October 1, 1993.		<p>H.R. 4414 would require each State, in accordance with regulations to be prescribed by the DHHS Secretary, to develop standards to measure the effectiveness of the WF and Community Service programs "in moving recipients of aid into full-time unsubsidized employment." [Sec. 301]</p> <p>If the DHHS Secretary found that the WF and Community Service programs failed for a fiscal year to meet the performance standards developed by the State, he/she would be required to reduce the Federal matching rate for operation and administration of these programs from 80 percent to 50 percent. [Sec. 301]</p>	<p>H.R. 4605 would require the DHHS Secretary to develop factors for assessing the success of State JOBS and WORK programs. It specifies that these factors must include the percentage of a State's AFDC caseload subject to the time limit who receive aid for 24 cumulative months. It lists other possible factors to be measured: increase in work and earnings of persons who leave JOBS and WORK, their tenure in unsubsidized jobs; decrease in rate of welfare dependency. The bill would require the Secretary to recommend standards to be applied to performance factors by April 1, 1998. [Sec. 401]</p> <p>The bill would require the Secretary, by October 1, 1998, to prescribe incentives for meeting or exceeding the performance standards and penalties for failing them. It would require the Secretary each year to make public each State's performance level. [Sec.401]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Evaluation of Work, Education and Training Programs</p>	<p>Federal law requires the Secretary of DHHS to conduct a study to determine the relative effectiveness of the different approaches used by States under the JOBS program for helping long-term recipients and potentially long-term recipients. The study is to be based on data gathered from demonstration projects in five States (which are required to operate for at least 3 years). The projects are to use an experimental design. The law authorized \$5 million for FY 1990-91. [Sec. 203(c) of P.L. 100-485]</p>	<p>The Secretary of DHHS would be required to conduct research projects for at least 5 years to examine the impact of education and training programs on the ability of individuals to leave off the AFDC program, AFDC expenditures, wage rates, employment histories, and the resumption of AFDC participation. At least one of the projects would have to include random assignment of adult AFDC recipients to control and experimental groups. [Sec. 903]</p>		<p>H.R. 4605 would require the DHHS Secretary, in consultation with the Labor Secretary and the Education Secretary, to conduct a study of implementation of time-limited JOBS plus WORK and an evaluation (using random assignment to treatment and control groups and other rigorous methods) in various areas of the effectiveness of time-limited aid in helping persons become self-sufficient and the effect on unemployment rates, reduction of welfare dependency and teen pregnancy, income levels, family structure, and children's well-being. After 2 years of WORK, the bill would require the DHHS and Labor Secretaries to conduct a national study of its success in helping persons find work and to examine reasons why some were unable to find unsubsidized work. [Sec. 404(b)(1)]</p> <p>The bill would authorize the DHHS Secretary to approve demonstration projects: up to 10 projects about innovative techniques to place JOBS participants in unsubsidized jobs of significant duration; up to 5 local work-for-wages projects to test WORK programs outside the AFDC context; (with Secretaries of Labor, Agriculture and Treasury) projects in up to 5 States to provide coordinated services to ex-recipients of AFDC through WORK Support Agencies; and demonstration projects to promote parenting skills of noncustodial</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				parents [Sec. 404(d) - 404(g)] The bill sets aside funds from JOBS, WORK, and at-risk child care allocations for research and evaluation. [Secs. 202 and 306]
Case Management	The law permits the State to assign a case manager to each JOBS participant and her/his family. The manager must be responsible for helping the family obtain any services needed to assure "effective" participation in JOBS. [Sec. 482(b)(3) of SSA]	No provision.	H.R. 4414 would require States to assign to each participant in the WF and Community Service programs a case management team. Duties of these teams: in WF program, to help participants develop a participation agreement within 30 days of application approval (at State option, within 90 days); in Community Service program, to help the participant choose the most suitable community service job and eventually, a full-time unsubsidized paid job. [Sec. 301]	H.R. 4605 would require States to assign a case manager to each custodial parent under age 20. Case managers would be responsible for helping parents obtain appropriate services, including at least parenting education, family planning services, education and vocational training, and child care and transportation services. They also would be responsible for monitoring the recipient's compliance with program rules and for providing incentives and applying sanctions. [Sec. 503]

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Child Care	<p>Federal matching funds are available for 3 kinds of AFDC-related child care: (1) for recipients; (2) for ex-recipients ("transitional" care) and (3) for persons "at risk" of becoming eligible, or reeligible, for AFDC in the absence of child care. The law requires States to "guarantee" child care (by direct provision, reimbursement, vouchers, etc.) for the first group, JOBS participants who need it (and other AFDC parents already in school, training or work). The law requires States to continue child care benefits for 1 year to ex-welfare working families (but to charge them an income-related fee). [Sec. 402(g)(1)(A) of SSA]</p> <p><i>Unlimited</i> matching funds, at the Medicaid matching rate, which now ranges from 50 to 79 percent among the States, are authorized for child care for groups 1 and 2.</p> <p>For the third group, families at risk of AFDC eligibility, the law authorizes \$300 million annually in Federal funds, at the Medicaid matching rate.</p> <p>The dependent care tax credit is available only to persons with taxable income.</p>		<p>H.R. 4414 would raise the matching rate for AFDC/JOBS child care and for "at risk" child care in 50 States and the District of Columbia to 80 percent (from current range of 50 to 79 percent) [Secs 222 and 226]. It would extend transitional benefits to 24 months [Sec 225], require States to offer transitional child care benefits to unemployed 2-parent AFDC families [Sec. 228] and to persons who exhausted the AFDC time limit [Sec. 103] and require notice of transitional benefits to applicants and persons being dropped from the rolls [Sec. 224]. It would raise authorized at-risk child care funds to \$2 billion yearly by FY 2001 [Sec. 226], would permit use of transitional and at risk child care funds to enable a parent to engage in training [Sec. 227], and would permit child care funds to fund jobs in the field of child care for persons in the Community Service program [Sec. 230]</p> <p>H.R. 4414 would make the dependent care tax credit refundable and phase it out for higher-income taxpayers. The phaseout would start at adjusted gross income of \$110,000. [Sec. 221]</p>	<p>H.R. 4605 would extend the child care guarantee to WORK participants. It would raise the Federal matching rate for AFDC/JOBS child care and "at-risk" child care for the working poor, by stages, in the 50 States and the District of Columbia to a floor (by FY 2000) of 70 percent and a maximum of 89 percent. The same "Enhanced Federal Medical Assistance Percentages" would cover WORK child care. (See <i>Funding</i> for provisos.) The bill would increase authorized funding for at-risk child care to \$1 billion by FY 1999 and \$1.3 billion by FY 2004. It would restrict at-risk funds to families ineligible for recipient or transitional care and would reallocate unused at-risk funds to States that exceed the required State match.</p> <p>The bill would require each State to use a single sliding fee scale for at-risk and transitional child care (that of the lead agency designated under the Child Care and Development Block Grant Act [CCDBG]) It would require that recipient, transitional and at-risk child care meet health and safety standards of CCDBG, and any other requirements applicable to CCDBG child care. It would permit States to consolidate child care responsibility by agreement with the State's lead agency. It would create a 10 percent setaside in the at-risk program for supply building</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>quality improvements, and it would include costs of licensing and monitoring child care providers as an allowable administrative cost, up to an annual ceiling of \$15 million in Federal funds.</p> <p>H.R. 4505 would require. States that use the child care income disregard (\$175 monthly maximum for a child over 2) to either (a) offer working recipients the choice of receiving child care by another means or (b) make a supplementary payment to the disregard, covering actual costs up to the State's ceiling amount. [Secs. 301-307]</p>

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
FUNDING-- AUTHORIZA- TION OF APPROPRIA- TIONS AND FEDERAL FUNDING SHARE	<p>Federal law entitles each State (and outlying area) to a share of JOBS matching funds equal to its share of adult AFDC recipients. Authorized is \$1.1 billion in FY 1994, \$1.3 billion in FY 1995, and \$1 billion yearly thereafter. The Federal matching rate for JOBS activities and cost of full-time JOBS personnel now ranges from 60 percent to 79 percent (90 percent for the State's share of the first \$126 million, FY 1987 appropriation for the predecessor Work Incentive (WIN) program), but is 50 percent for administrative expenses other than full-time personnel and for work-related expenses other than child care (separately funded). [Sec. 403(k) and 403(l) of SSA]</p> <p><i>Unlimited</i> Federal matching funds are available for AFDC benefits and for child care for AFDC recipients and ex-recipients (transitional benefits for 1 year) in the 50 States and the District of Columbia at the regular Medicaid matching rate, which now ranges among States from 50 percent to 79 percent.</p>	<p>Each State that has used its full allocation of Federal JOBS funds (under terms of current law) would be entitled to additional funds for JOBS. The following amounts would be authorized: \$300 million in FY 1996, \$1 billion in FY 1997, and \$1.9 billion in FY 1998. Allocations of these funds would be based on each State's share of adult AFDC recipients. The Federal matching rate for the new JOBS funds would range from 70 percent to 79 percent (statutory maximum 83 percent) for work activities and costs of full-time personnel, but would be 50 percent for administrative expenses other than full-time personnel and for work-related expenses. [Sec. 101(c)]</p> <p>The Federal matching rate for the new JOBS funds would fall to a flat 50 percent for work activities and all administrative expenses if a State failed to achieve these overall participation rates: 15 percent in FY 1994, 20 percent in FY 1995, 30 percent in FY 1996, 40 percent in FY 1997, 50 percent in FY 1998, 60 percent in FY 1999, 70 percent in FY 2000, 80 percent in FY 2001, and 90 percent in FY 2002. [Sec. 101(c)]</p>	<p>The Federal matching rate for the WF and Community Service programs would be 80 percent in each State, with a proviso that not more than 10 percent of expenditures could be made for participants who were noncustodial parents and ineligible for aid under the State plan. As noted above, the rate would fall to 50 percent if a State were found to be failed its own performance standards.</p> <p>For child care, including transitional and "at risk" child care, the matching rate also would be 80 percent in each State. In addition, the authorization for at risk care would be increased sharply, by \$3.8 billion in FYs 1998-2001 (with the FY 2001 level at \$2 billion).</p> <p>The bill would authorize unlimited WF and Community Service matching funds for the outlying areas, applying to them the JOBS matching formula in current law: 90 percent of the amount spent in FY 1987 on the predecessor (WIN) program; the Medicaid matching percentage (75 percent for these areas) for program activities, including pay for full-time personnel, and 50 percent for other administrative costs, transportation, and supportive services.</p>	<p>H.R. 4605 would raise the capped entitlement to JOBS funds to \$1.75 billion for FY 1996, \$1.7 billion for FY 1997, \$1.8 billion for FY 1998, \$1.9 billion for each of FYs 1999 through 2004, and to \$1.9 billion, adjusted for price inflation, in subsequent years. The bill would establish a single "blended" matching rate for JOBS in each State and the District of Columbia, called the State's "enhanced Federal medical assistance percentage" (enhanced medicaid rate). These rates would range between 65 and 84 percent among States in FYs 1996 and 1997 and would rise by FY 2000 to a range of 70 to 89 percent. [Sec. 202]</p> <p>For <i>non-wage</i> WORK costs, the bill would establish a capped entitlement to matching funds for States. Sums would rise from \$200 million for FY 1998 (first full WORK year) to \$1.1 billion for FY 2000 and \$1.7 billion for FY 2004 and \$1.7 billion, adjusted for price inflation, thereafter. Each State's allocation of these WORK funds would reflect its share of the total number of JOBS participants subject to the time limit and WORK registrants. The new enhanced medicaid rate would apply to these funds. [Sec. 202]</p> <p>For wages paid under the new WORK program, the bill would authorize <i>unlimited</i> funding at the regular</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
			<p>H.R. 4414 would reduce Federal funding for AFDC benefits, administration, and child care for a fiscal year after FY 1996 if a State's total spending for these purposes fell short of its average annual spending during FYs 1994, 1995, and 1996. [Sec. 223]</p>	<p>medicaid matching rate (currently a range of 50 to 79 percent). [Sec. 202]</p> <p>To qualify for the enhanced medicaid matching rate, a State would have to:</p> <ul style="list-style-type: none"> --spend from State funds in a fiscal year for JOBS, WORK activities (not wages), and for AFDC, transitional and at-risk child care as much as it spent for JOBS and the 3 forms of child care in FY 1994 (or FY 1993, if that sum were greater). --apply the 2-year time limit to at least 90 percent of adult custodial parents born after 1971 and not exempted by law. [Sec. 202] <p>(Failure to meet these terms would reduce the matching rate for JOBS and WORK activities to the higher of 60 percent or the regular Medicaid rate; for child care, to the regular Medicaid rate.)</p> <p>If a State's total unemployment rate for a fiscal year equaled or exceeded 6.5 percent and was at least 10 percent higher than in either of the 2 previous years, the <i>State's matching rate</i> for JOBS, WORK activities and at-risk child care would be reduced by 10 percent (for example, from 30 to 27 percent), provided the State obligated enough funds to earn its full allotments for these activities at the unadjusted match rate. [Sec. 202]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>The law imposes ceilings on Federal matching funds for AFDC programs (and for cash welfare programs for needy adults) in Guam, Puerto Rico, and the Virgin Islands. [Sec. 1108 (a) of SSA]</p>			<p>The bill provides that the capped entitlements for JOBS, WORK, and at-risk child care would rise if the average national total unemployment rate for the second half of the previous fiscal year or the first half of the current fiscal year equalled 7 percent. [Sec. 202]</p> <p>H.R. 4605 would establish a Special Adjustment Fund (\$300 million for FY 1996, a ceiling of \$400 million at the end of FY 1998), from which the DHHS Secretary could make payments (above their allotments) to States for JOBS and, after FY 1997, for WORK activities. The extra funds would be available only to States that had obligated 95 percent of their full allotment in the previous year and demonstrated that they would use the full allotment in the current year. Under the bill, unspent Federal allotments for JOBS/ Work, and at-risk child care for a fiscal year would increase the Special Adjustment Fund, but the fund balance could not exceed \$400 million at the end of FY 1998.</p> <p>H.R. 4605 would increase by 25 percent Federal matching sums allowed for AFDC and adult welfare programs in the outlying areas, effective in FY 1997. The new ceilings would be adjusted automatically for price inflation in subsequent years. [Sec. 716]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	For at-risk child care, \$300 million yearly is authorized. [Sec. 403(n) of SSA]			For new funding for child care, see <i>Child Care</i> above. See <i>Participation Rates</i> for their effect upon the Federal matching share for some <i>AFDC</i> benefits.

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>SAVINGS AND SELF-EMPLOYMENT</p> <p>--Individual Development Accounts</p>	<p>See <i>Resources</i> above (p. 11) for asset limits affecting AFDC recipients.</p>	<p>See <i>Resources</i> (p. 11) and <i>Income</i> (p. 13) for H.R. 3500 proposal concerning qualified asset accounts.</p>	<p>See <i>Resources</i> (p. 11) and <i>Income</i> (p. 13) for H.R. 4414 proposal concerning qualified asset accounts.</p>	<p>H.R. 4605 would authorize establishment of tax-deferred savings accounts called Individual Development Accounts (IDAs) by recipients of AFDC or food stamps and (with some restrictions) by persons eligible for the Earned Income Tax Credit (EITC). [Sec. 734]</p> <p>Annual contributions to IDAs could not exceed \$1,000 (or 100 percent of earned income), and total contributions could not exceed \$10,000. The bill provides that up to \$10,000 in an IDA, including interest, would be disregarded as a resource by AFDC and food stamps. IDA funds could be used (without penalty) only for "qualified" expenses, namely: post-secondary education expenses, first-home purchase, business capitalization, and transfers to IDAs of the taxpayer's spouse or dependent. [Sec. 734]</p> <p>The bill also would authorize a 6-year demonstration of <i>subsidized</i> Individual Development Accounts for persons who are members of households in which someone is eligible for the EITC. Household adjusted gross income could not \$18,000 and household net worth, excluding the</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>--Self-Employment and Microenterprises</p>		<p>See <i>Resources</i> (p. 12) for H.R. 3500 proposal concerning microenterprises.</p>	<p>See <i>Resources</i> (p. 12) for H.R. 4414 proposal concerning microenterprises.</p>	<p>house, one auto, and items essential for daily living, could not exceed \$20,000. Grants to conduct these tests would be made to State or local governments or community development financial institutions (as defined in the Community Development Banking and Financial Institutions Act of 1994). [Sec. 733] <i>Note:</i> Title VII, Part C of H.R. 4605 is called the Individual Development Account Demonstration Act.</p> <p>Participants in the subsidized IDA project would receive up to \$500 with which to start the account and matching contributions of not less than 50 cents nor more than \$4 for each dollar that they subsequently deposit. Matching contributions could not total more than \$2,500 per participant. The initial aid (up to \$500) would not be available for use by the participant until the IDA is closed and after the participant has made a matching contribution. [Sec. 733]</p> <p>H.R. 4605 would require the DHHS Secretary and the Small Business Administrator, provided appropriations are made available, to develop a self-employment/microenterprise demonstration program lasting at least 5 years. The bill states that the program should identify obstacles faced by recipients of welfare (defined</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				as persons receiving AFDC or eligible for JOBS or WORK) and other low-income persons to increasing self-sufficiency through self-employment and should develop ways to promote their self-employment and development of microenterprises. [Sec. 801]

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>TAX CREDITS</p> <p>--EARNED INCOME TAX CREDIT (EITC)</p> <p>--DEPENDENT CARE TAX CREDIT</p> <p>--TARGETED JOBS TAX CREDIT</p>	<p>The law restricts EITC to families who live in the United States.</p> <p>The dependent care tax credit is available only to persons with taxable income.</p>		<p>H.R. 4414 would require State welfare agencies to provide written notice about the existence and availability of the EITC to applicants for AFDC, food stamps, and medicaid and, in the notice of termination of benefits, to former recipients of these benefits. [Sec. 211]</p> <p>H.R. 4414 would require that notice of the availability of the EITC and the dependent care tax credit be included on the IRS W-4 form (used by employees to determine withholding exemptions). [Sec. 212]</p> <p>H.R. 4414 would double the minimum period of employment generally required (from 90 days to 180 days, or from 120 hours to 240 hours) to receive the targeted jobs tax credit. The shorter work periods required in the case of summer youth jobs also would be doubled. [Sec. 311]</p> <p>As noted under <i>Child Care</i> above, H.R. 4414 would make the dependent care tax credit refundable and phase it out for higher-income taxpayers. The phaseout would start at adjusted gross income of \$110,000. [Sec. 221]</p>	<p>H.R. 4605 would make ineligible for the EITC most nonresident aliens. [Sec. 910]</p> <p>H.R. 4605 would extend eligibility for the EITC to active military families living overseas. [Sec. 909(a)]</p> <p>It would require the Defense Department to report, on forms provided to each member of the armed forces, the total amount of earned income (as defined for the EITC) paid to them. [Sec. 909(b)] It also would require that the amount of an advance EITC payment for a member of the armed forces be based on his/her total earned income rather than wages. [Sec. 909(c)] <i>Note:</i> The EITC counts as "earned income" some nontaxable income, including basic quarters and subsistence allowance and in-kind quarters and subsistence for the U.S. military.</p> <p>The bill would authorize 4 demonstration programs in which States would make advance payments of the Federal EITC. In these tests employees would receive advance EITC payments from a "responsible State agency" rather than from their employer. Payments would have to be made at least once a calendar</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				quarter. Generally, payments would be treated by the Internal Revenue Service as made out of amounts withheld for income taxes and deducted for social security taxes. [Sec. 741]
CHILD SUPPORT ENFORCEMENT (CSE) PROGRAM				
GENERAL DESCRIPTION	The purpose of the CSE program, part D of title IV of SSA, is to establish and collect child support obligations, locate absent parents, and establish paternity.	H.R. 3500 would require new efforts to establish paternity and new measures to encourage collection of child support obligations including: national reporting of information about child support obligations of some employees, State and national information systems, income withholding procedures, uniform terms and information to be included in child support orders, and work requirement for noncustodial parents with child support arrearages.	H.R. 4414 would require States to increase the child support pass-through for AFDC families and adopt new measures to encourage collection of child support obligations including: national reporting of information about child support obligations of some employees, State and national information systems, income withholding procedures, attachment of lottery winnings, settlements, etc., garnishment of Veteran's benefits, death benefits, workers' compensation, and black lung benefits, giving private attorney access to CSE enforcement tools, and work requirement for noncustodial parents with child support arrearages.	H.R. 4605 would require States to streamline the paternity determination process; offer States financial incentives to establish paternity for more children; require States to establish an automated registry of child support orders; establish a national clearinghouse of child support orders and a directory of new hires, including those with child support delinquencies; expand the scope of the Federal Parent Locator Service (FPLS); require States to adopt laws under which debtor parents could be denied professional or business licenses; authorize States to conduct employment and training opportunities for noncustodial parents unable to meet their child support obligations; and authorize child support assurance demonstration projects.

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
ASSIGNMENT OF CHILD SUPPORT RIGHTS	As a condition of AFDC eligibility, applicants and recipients must assign their rights to child support to the State. Child Support Enforcement (CSE) services are available automatically without charge to AFDC families and upon application and for a fee to non-AFDC families. [Sec. 402(a)(26) and 454(6) of SSA]	Same as current law.	Same as current law.	Same as current law.

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
COOPERATION REQUIREMENT	<p>AFDC applicants and recipients are required to cooperate with the State in establishing the paternity of a child and in obtaining child support payments for a child, unless the applicant or recipient is found to have good cause for refusing to cooperate. [Sec. 402(a)(26) of SSA]</p> <p>Under the "good cause" regulations, the CSE agency may determine that it is against the best interests of the child to seek to establish paternity in cases involving incest, rape, or pending procedures for adoption. Moreover, the CSE agency may determine that it is against the best interest of the child to require the mother to cooperate in establishing paternity or seeking child support or medical support if it is anticipated that such cooperation will result in the physical or emotional harm of the child and/or parent or caretaker relative. [45 CFR Sec. 232.40-43]</p>	<p>State AFDC plans would be required to include a rule that a State employee or officer who becomes aware of a pregnant, unmarried woman must at once inform her orally and in writing that she will be ineligible for AFDC unless she identifies the prospective father and, after the child is born, cooperates in establishing the paternity of the child. The State employee also would be required to encourage the woman to urge the prospective father to acknowledge paternity. [Sec. 203]</p>	<p>Federal AFDC law would be amended to specify that cooperation would not be required if the State found that the child was born as a result of rape or incest or the applicant or recipient demonstrated that such cooperation would endanger her or her child. [Sec. 413(a)]</p> <p>Federal law would be amended to stipulate that the term cooperation, must include the provision of the full name, the last known telephone number and address, the name of the last known employer, the name of the closest living relative (or acquaintance, if there is no known relative), and the social security account number of the noncustodial parent, and the name of any State in which the noncustodial parent had a driver's license. [Sec. 413(a)]</p> <p>If the applicant or recipient demonstrated that he or she were unable to obtain the stipulated information after an earnest attempt to do so, the applicant or recipient would be considered to have cooperated. [Sec. 413(a)]</p>	<p>To satisfy the cooperation requirement, mothers would be required to furnish the name of the putative father (or fathers) and sufficient additional information to enable the CSE agency to verify the identity of the person named as the father (including his address, telephone number date of birth, employer, addresses of parents, friends, or relatives able to provide information about his whereabouts). [Sec. 601(a)(25)(E)]</p> <p>These new cooperation requirements would be effective with respect to any child born 10 months after the date of enactment. [Sec. 601(a)(25)(E)]</p> <p>The CSE agency would be responsible for making an initial determination about whether an individual was cooperating with efforts to establish paternity and secure child support within 10 days after the AFDC applicant was referred to the CSE agency by the AFDC or Medicaid program. [Secs. 601(a)(25)(A) and (D)]</p> <p>The CSE agency also would be responsible for making redeterminations regarding the AFDC applicant's cooperation. [Sec. 601(a)(25)(D)]</p>

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
ESTABLISHING PATERNITY	Federal law requires States to have laws and procedures that allow paternity to be established at any time before a child's 18th birthday. [Sec. 466(a)(5) of SSA]			<p>States would be required to enact a law that permits the initiation of proceedings to establish paternity before the birth of a child. [Sec. 640(a)]</p> <p>States would be required to enact a law requiring use of procedures that require the State CSE agency, in cases where it orders genetic tests, to advance the costs of genetic tests, subject to recoupment (if the State elects) from the putative father. If additional tests are requested, the disputing party would be required to pay for them. [Sec. 640(a)]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>Federal law requires States to have laws and procedures that include a hospital-based program for voluntary acknowledgement of paternity around the time of the child's birth. [Sec. 466(a)(5)(C)]</p>		<p>States would be required to enact a law requiring the use of procedures to provide new fathers with positive parenting counseling that stresses the importance of paying child support obligations on time. [Sec. 412]</p>	<p>States would be required to expand their education and outreach activities to stress the importance of parental responsibility, which would include information on the benefits of paternity establishment, distribute written material publicizing and encouraging voluntary acknowledgement of paternity to hospitals, clinics, and schools, make reasonable efforts to contact persons who do not establish paternity during their hospital stay to furnish them with additional information on the benefits of paternity establishment. [Sec. 641(a)]</p> <p>Costs associated with outreach programs designed to encourage voluntary acknowledge of paternity would be funded at a 90 Federal matching rate. [Sec. 641(b)]</p> <p>States would be required to enact a law requiring the use of procedures that permit the court or agency setting a child support order to waive rights to all or part of amounts owed to the State for costs related to pregnancy, childbirth, genetic testing, and public assistance paid to the family in cases where the father cooperates or acknowledges paternity. [Sec. 640(a)]</p> <p>States would be required to enact a law that abolishes the right to a jury trial for paternity cases. [Sec. 640(a)]</p>

WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>Unless a State adopted an exemption law, the State would be prohibited from paying AFDC to the family of a child whose paternity was not established except in cases where the child was conceived as a result of rape or incest, or where the State determined that efforts to establish paternity would result in physical danger to the relative applying for AFDC. [Sec. 201(a)] The custodial parent would have to prove that an alleged parent was dead. [Sec. 201(a)]</p> <p>If paternity of an applicant child were not established and the relative alleged that any of up to three men might be the father and provided the appropriate addresses, and if the State did not disprove the allegation, the State would be required to <i>reduce</i> (rather than end) the AFDC benefit to the family. The reduced benefit would be based on a family size that excluded the child whose paternity was in question. The entire family would be eligible for Medicaid benefits. [Sec. 201(a)]</p> <p>Beginning October 1, 1994, the above provisions would apply to recipients as well as applicants. [Sec. 201(b)]</p>		<p>State CSE agencies would be required to either establish paternity (if possible) or impose a sanction in every case within 1 year from the date that the initial cooperation requirement is met. If a State failed to establish paternity in these cases within the 1 year timeframe, Federal matching payments to the State would be reduced by an amount equal to the number of the children whose fathers were not legally identified multiplied by the average AFDC benefit for those families and the Federal matching rate applicable to the AFDC payment. Cases for which paternity could not be established despite the best efforts of the CSE agency would not be subject to the sanction if they were within specified tolerance levels. [Sec. 642]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>States would have the option of amending their State plans to provide for incentive payments to families to encourage paternity establishment. [Sec. 643(a)]</p> <p>The Secretary of DHHS would be required to authorize up to three States to conduct demonstrations providing financial incentives to families for paternity establishment. States would be reimbursed at a 90 percent Federal matching rate for payments made to families in these demonstrations. [Sec. 643(b)]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Paternity Establishment Percentage	<p>States are required to meet Federal standards for the establishment of paternity. The standard relates to the percentage obtained by dividing (a) the number of children in the State who are born out of wedlock, are receiving AFDC or CSE services, and for whom paternity has been established by (b) the number of children who are born out of wedlock and are receiving AFDC or CSE services. To meet Federal requirements, this percentage in a State must: (a) be at least 75 percent, on the basis of the most recent reliable data or (b) meet these standards of improvement from the preceding year: percentage between 50 and 75 percent, up 3 percentage points from the score of the preceding year; percentage between 45 and 50, up 4 percentage points; percentage between 40 and 45 percent, up 5 percentage points; and percentage below 40 percent, up at least 6 percentage points from preceding year. [Sec. 452(g) of SSA]</p>	<p>To meet Federal requirements, the paternity establishment percentage in a State would have to: (a) be at least 90 percent or (b) meet these standards of improvement: percentage between 50 and 90, up 6 percentage points from score of preceding year; or percentage below 50 percent, up at least 10 percentage points from preceding year. [Sec. 204]</p>		<p>States would be required to establish a new statewide standard, which would make no reference to enrollment in AFDC, for the percentage of paternities established. The new rate would be obtained by dividing (a) the total number of out-of-wedlock children in the State under age 1 for whom paternity is established or acknowledged during the fiscal year by (b) the total number of children born out-of-wedlock in the State during that year. [Sec. 612]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
ESTABLISHMENT OF SUPPORT ORDERS	A child support order legally obligates a noncustodial parent to provide financial support for his or her child and stipulates the amount of the obligation and how it is to be paid.			States would be required to enact a law requiring the use of procedures that give the CSE agency the authority, without having to obtain a court or administrative child support order, to establish the amount of child support in all CSE cases, modify the amount of all orders included in the State's registry of child support orders, order genetic testing in cases where the father has not been legally identified, enter default order, upon a showing of service of process, that establishes parentage and establishes or modifies a support obligation if a parent fails to respond to notice to appear at a proceeding for that purpose, and to subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to the subpoena. [Sec. 636]

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>P.L. 98-378 required States to establish guidelines for establishing child support orders. P.L. 100-485 made the guidelines binding on judges and other officials who had authority to establish support orders. States also are required to review and adjust individual child support orders once every 3 years (under certain circumstances). [Sec. 467 and 466(a)(10)(B) of SSA]</p>		<p>H.R. 4414 establishes a National Child Support Guidelines Commission to study and report to Congress on various guideline models, the deficiencies of such models, needed improvements in such models, the variability of award levels, and the desirability of national guidelines. [Sec. 421(a) and (b)] The Commission would be required to submit its report to Congress no later than 2 years after the appointment of its members. [Sec. 421(e)]</p>	<p>States would be required to enact laws requiring the review and adjustment of orders included in the State registry of child support orders at least once every 3 years. [Sec. 652(a)]</p> <p>State CSE agencies would be required to automate the review and modification process to the maximum extent feasible. [Sec. 652(b)]</p> <p>The Secretary of DHHS and the Secretary of the Treasury would be required to conduct a study to determine how IRS income tax return data might be used to facilitate the modification process. [Sec. 653]</p> <p>H.R. 4605 authorizes the DHHS Secretary to establish a National Commission on Child Support Guidelines to study and report to Congress on the desirability of national guidelines, the adequacy of child support orders, the feasibility of adopting uniform terms in all child support orders, how to define income, tax treatment of child support, treatment of multiple family cases, and duration of support. Provisions similar to those of H.R. 4414. [Sec. 651]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Centralized Collection and Disbursement of Child Support Payments</p>				<p>States would be required to operate a centralized, automated central payment center, with sufficient State staff or at State option through contractors, for the collection and disbursement of child support payments. The central payment center would receive child support payments from parents, employers, and other States and would send payments to custodial parents and other obligees, the State CSE agency, and the State agencies of other States (affected parties would be allowed to opt out of using the payment center). Staff of the payment center would be responsible for monitoring and enforcing support obligations through the use of automated, computer-driven technology. [Sec. 622 and 602(a)]</p>
<p>UNIFORM ORDERS</p>	<p>No provision.</p>	<p>Under H.R. 3500, the designee of the DHHS Secretary would be required to develop, in conjunction with State executive and judicial organizations, a uniform abstract of a child support order, for use by all State courts to record, with respect to each child support order in the child support order registry, the same basic information--such as the date support payments are to begin, the circumstances under which support orders are to end, the amount of child support payable, social security numbers of both parents, name, date of birth, and social security number of the child, etc. [Sec. 505]</p>		<p>The proposed National Commission on Child Support Guidelines would be required to examine the feasibility of adopting uniform terms in all child support orders. [Sec. 651]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
W-4 REPORTING	No provision.	The Secretary of the Treasury, in consultation with the Secretary of Labor, would be required to establish a system for reporting child support obligations on W-4 forms (Treasury forms for withholding of income tax). Employees with a legal obligation to pay child support that is to be collected through wage withholding would be required to indicate on the W-4 form (1) the existence of the obligation, (2) the amount of the obligation, (3) the name and address of the person owed, and (4) whether health care insurance is available through the employer to the employee's family. Employees in designated industries would also be required to provide this information on their W-4 forms. In addition, every employee would be required to file a one-time update of the above described information on a W-4 form during a period prescribed by the State in which the person works. [Sec. 501(a)]	The Secretary of Treasury, in consultation with the Secretary of Labor, would be required to establish a system for reporting child support obligations on revised W-4 forms. Employers would be required to send the revised W-4 form completed by the new employee to the State's employment security agency. New employees would be required to indicate on the revised W-4 form (1) whether they owe child support, (2) to whom the support is payable, (3) the amount of the support payable, (4) whether the support is to be paid through wage withholding, and (5) whether health care insurance is available to them and if so, whether they have obtained it for their dependent children. [Sec. 431(a)]	The bill directs the DHHS Secretary to establish a National directory of New Hires (see below), under which each employer would be required, within 10 days of hiring a person, to submit to the DHHS Secretary the following information: the employee's name, date of birth, social security number, and the employer's identification number. [Sec. 625(a)] This new-hires data base would be matched against the national child support registry to find debtor parents.

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>Under H.R. 3500, each employer who receives information from an employee regarding his or her child support obligation would be required, within 10 days, (1) to forward the information to the State's child support enforcement agency, and (2) to withhold from the income of the employee, the amount indicated on the W-4 form (or if the State indicates that the W-4 information is incorrect, the amount that the State indicates should be withheld). [Sec. 501(a)]</p>	<p>Under H.R. 4414, each employer who receives information from an employee regarding his or her child support obligation would be required to (1) forward the new employee's W-4 form to the State employment security agency, and (2) deduct and withhold from wages the amount indicated on the W-4 form (or if the State indicates that the W-4 information is incorrect, the amount that the State indicates should be withheld) and/or the amount indicated on a wage withholding order received by the employer. [Sec. 431 and (b)]</p> <p>States would be required to enact a law requiring use of procedures under which they would have to impose monetary penalties on any employer who failed to forward a W-4 form for a new employee to the State employment security agency within 10 days of the date of the first payroll from which the employee was paid, failed to withhold from wages specified child support obligations, or failed to pay the withheld amount to the custodial parent within 10 days of the date of the first payroll from which the employee was paid, using electronic benefits transfer if possible. [Sec. 431(b)]</p>	

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>States would be required to enact a law requiring use of procedures under which the State must designate a public agency to maintain the W-4 form information provided by employers in a manner that allows other States easy access to the information through the Interstate Locate Network and to determine whether the information provided by the employer is accurate. If the information were correct (verified by comparing it to the copy of the child support order on file with the State registry), the State would be required to notify the custodial parent who lives in the State of the information. If the information were not correct, the State would be required to notify the employer and to correct the information. If the State registry did not contain a copy of the support order, the State would be required to search other State registries for a copy of the child support order. [Sec. 501(b)]</p>	<p>States would be required to enact a law requiring use of procedures under which the State would have to use the FPLS to access information in the national registry of child support orders with respect to new employees, compare this information with that reported on the revised W-4 forms of new employees, and identify child support obligations not reported on the W-4 form. If the W-4 information agreed with that in the registry, the State would be required to notify the custodial parent about it. If a new employee had not reported his or her child support obligation on the W-4 form, the State would be required to notify the noncustodial parent's employer, using the new wage withholding order (described below). [Sec. 431(b)]</p> <p>States would be required to enact a law requiring use of procedures to impose mandatory monetary penalties on a person who owes child support and fails to report the obligation on the W-4 form when beginning a new job. [Sec. 431(b)]</p>	

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>States would be required to enact a law requiring use of procedures under which the State must (1) designate at least one industry as an industry with respect to which universal employment reporting would improve child support enforcement in an effective manner, (2) prescribe the period during which employees would be required to file updated W-4 forms, (3) impose a fine against an employee who fails to file a W-4 form with his or her employer; the fine would be equal to the average cost of noncompliance or \$25, whichever is less. [Sec. 501(b)]</p>	<p>States would be required to enact a law requiring use of procedures under which the State would be required, upon request of another State, to broadcast via the FPLS any child support obligation information from W-4 forms that has been sent to the State's employment security agency. [Sec. 431(b)]</p>	

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>STATE INFORMATION SYSTEMS</p>	<p>The State must provide that, at the request of either parent, child support payments be made through the agency that administers the State's income withholding system regardless of whether there is an arrearage. The State must charge the parent who requests the service a fee equal to the cost incurred by the State for these services, up to a maximum of \$25 per year. [Sec. 466(c) of SSA]</p>	<p>States would be required to enact a law requiring use of procedures under which the designated State agency would have to maintain a child support order registry. The registry would include a copy of each child support order being enforced under the State CSE plan, and at the request of an individual who has or is owed a legal obligation to provide child support, a copy of the order that imposes the obligation. [Sec. 502(a)]</p>	<p>States would be required to enact a law requiring use of procedures under which State CSE agencies would have to maintain a child support order registry. The registry would include a copy of each child support order, issued or modified in the State during the 30-year period before enactment of this provision. The CSE agency would be required to transmit a copy of each order electronically to the Federal OCSE. [Sec. 402(c)]</p>	<p>States would be required to maintain an automated central child support order registry, containing records of each case in which CSE services are being provided. Each case record in the registry would include a record of the amount of monthly child support owed, arrearages, interest or late payment penalties, and fees, the date on which the support obligation will terminate, all child support and related amounts collected, and the distribution of amounts collected. States would be required to promptly establish and maintain and regularly monitor case records in the registry. [Sec. 621]</p> <p>States would be required to provide the national child support registry with an abstract of information from their registries and would be required to exchange information with the FPLS and AFDC and Medicaid agencies, as well as other agencies of the State, agencies of other States, and interstate information networks. [Sec. 621]</p> <p>States would be required to enact a law requiring unions and their hiring halls to cooperate with CSE agencies by providing information about any union member against whom a paternity or child support obligation is sought to be established or enforced: the member's address and telephone number, employer's name and</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				address, wages and medical insurance benefits. [Sec. 624]
			States would be required to enact a law requiring use of procedures under which the State CSE agency would have automated on-line or batch access (or, if necessary nonautomated access) to information regarding residential addresses, employer addresses, income and assets, and medical insurance benefits of absent parents that is available through any data base maintained by any State or local agency, any publicly regulated utility company located in the State, and any credit reporting agency located in the State. [Sec. 402(b)]	
		States would be required to have a law establishing procedures that provide other States access to "locate" information through the Interstate Locate Network. States would be permitted to charge reasonable fees for access to their State records. [Sec. 502(b)]	The CSE State plan would include a stipulation that States in designing effective and efficient automated data systems should provide access to the national network, i.e., the expanded and revised FPLS. [Sec. 403(b)]	
		States would be required to have a law establishing procedures under which (1) noncustodial parents would be given access to State parent locator services to aid in the establishment or enforcement of visitation rights and (2) custodial parents would be given access to State parent locator services to aid in the establishment and enforcement of child support obligations. [Sec. 502(b)]		

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>NATIONAL INFORMATION SYSTEMS</p> <p>1. Federal Parent Locator Service (FPLS).</p>	<p>The law requires that the FPLS, established as part of the CSE program, be used to obtain and transmit information about the whereabouts of any absent parent when that information is to be used for the purpose of <i>enforcing child support obligations</i>. [Sec. 453 and 463 of SSA]</p>	<p>H.R. 3500 would expand the FPLS "purpose" language to include establishing parentage, and establishing, modifying, and enforcing child support obligations. Also, the bill would require use of the FPLS to obtain (and transmit to the noncustodial parent) information regarding the whereabouts of the custodial parent when the information is to be used for the purpose of enforcing child visitation rights and obligations. [Sec. 503(a)]</p>	<p>Same as H.R. 3500. [Sec. 401(a)]</p> <p>Information could not be disclosed to any person if it would jeopardize the safety of the custodial parent or any child of the custodial parent. [Sec. 401(a)]</p> <p>In addition, information about an absent parent would not be disclosed to any person (other than the custodial parent) unless the custodial parent were notified in advance. [Sec. 401(a)]</p> <p>The Secretary of DHHS would be given the authority to charge "reasonable" fees for FPLS information. [Sec. 401(a)]</p>	<p>The Secretary of DHHS would be required to establish and operate a National Welfare Reform Information Clearinghouse. It would include the expanded FPLS, the national child support registry, the national directory of new hires, and the national welfare receipt registry. [Sec. 625(a)]</p> <p>The FPLS would be expanded to allow States access to information on the location and income (including access to health care coverage) and assets of persons who owe child support, persons for whom a child support order is being established, or persons who are owed child support. [Sec. 626(a)]</p> <p>States also would have access to other States' locate networks. [Sec. 624]</p> <p>The Secretary of DHHS would be given the authority to charge "reasonable" fees for FPLS information. [Sec. 626(b)]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>Upon request, the Secretary of DHHS must provide to an "authorized person" (i.e., an employee or attorney of a CSE agency, a court with jurisdiction over the parties involved, the custodial parent, legal guardian, or attorney of the child) the most recent address and place of employment of any absent parent if the information is contained in the records of DHHS, or can be obtained from any other department or agency of the United States or of any State. The FPLS also can be used in connection with the enforcement or determination of child custody and in cases of parental kidnapping. [Sec. 453 and 463 of SSA]</p>		<p>Upon request, the Secretary of DHHS would be required to provide to an "authorized person" the most recent <i>residential address, employer name and address, and amounts and nature of income and assets</i> of the noncustodial parent. [Sec. 402(a)]</p> <p>The Secretary of the Treasury would be required to enter into an agreement with the Secretary of DHHS to provide prompt access to the quarterly-estimated Federal income tax returns filed by individuals with the IRS. [Sec. 402(a)]</p>	<p>The Secretary of DHHS would be required to study (and report and make recommendations to Congress) whether information obtained via the FPLS should be provided to noncustodial parents trying to locate their children and, if so, whether custodial parents who might be harmed by such noncustodial parents could be adequately protected. The Secretary also would be required to study and report on the feasibility, implications, and costs of establishing and operating electronic data interchanges between the FPLS and consumer reporting agencies. [Sec. 627(a)]</p>

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>The Secretary of DHHS would be required to establish an Interstate Locate Network linking the FPLS to State databases relating to child support enforcement. Any State could use the network to locate a noncustodial parent by accessing the records of any Federal, State, or other source of locate or child support information, directly from one computer system to another. Any State could direct a locate request to another State or a Federal agency, or to selected States or to all States. The network would allow on-line access for cases in which information was needed immediately and batch processing to locate individuals or update information periodically. The network would enable courts to access information through a computer terminal located in the court. [Sec. 503(b)]</p>	<p>Same as H.R. 3500. [Sec. 403(a)]</p>	
		<p>H.R. 3500 would require the designee of the Secretary of DHHS (Director of the Office of Child Support Enforcement) to prescribe regulations governing information sharing among States, within States, and between States and the FPLS, to ensure that the response time for locate information not exceed 48 hours. [Sec. 503(c)]</p>	<p>The Secretary of DHHS would be required to ensure that the response time for locate information to be broadcast and returned to a requesting States does not exceed 48 hours. [Sec. 403(a)]</p>	

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
2. National Child Support Registry			The Secretary of DHHS would be required to maintain a registry of all child support orders transmitted to the Federal OCSE by the State CSE agencies. [Sec. 402(d)]	The Secretary of DHHS would be required to maintain an automated registry of all child support cases based on an extract of information from each State's central registry of child support orders. [Sec. 625(a)]
3. National Directory of New Hires				<p>The Secretary of DHHS would be required to maintain an automated directory of new hires that includes a current data base of all new employees in the United States as they are hired. Each employer would be required, within 10 days of hiring a person, to submit the following information to be included in the new-hires data base; the employee's name, date of birth, social security number, and the employer's identification number. [Sec. 625(a)]</p> <p>The Secretary of DHHS would be required to match the new-hires data base against the (1) SSA Employer Verification System to verify that the social security number is correct, (2) national child support registry to determine which employee have child support obligations (at least every 2 days and report a match to concerned State CSE agencies no later than 2 working days after making the match), (3) FPLS to locate individuals and their income and assets for purposes of paternity establishment and establishment and enforcement of child support. [Sec. 625(a)]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>States currently have several methods by which they can enforce interstate child support cases: direct income withholding, interstate income withholding, long-arm statutes, the Uniform Reciprocal Enforcement of Support Act (URES), and the revised Uniform Enforcement of Support Act. URESA was developed in 1950 by the National Conference of Commissioners on Uniform State Laws (NCCUSL). Recently, the NCCUSL approved a new model State law for handling interstate child support cases. It is referred to as the Uniform Interstate Family Support Act (UIFSA).</p>	<p>No provision.</p>		<p>States would be required to adopt the Uniform Interstate Family Support Act (UIFSA), a model State statute designed to address interstate problems associated with determination of parentage, establishment and modification of support, and enforcement of support by instituting uniform laws in all 50 States. [Sec. 635]</p>

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A TIME LIMIT—H.R. 3500, H.R. 4414, AND H.R. 4605—CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
COLLECTION METHODS	Current CSE collection methods include wage/income withholding, intercept of Federal and State income tax refunds, intercept of unemployment compensation, IRS full collection procedures (e.g., seizure of property, freezing assets, etc.), liens against real and personal property, security bonds, and reporting child support obligations to credit reporting agencies. [Sec. 466 and 464 of SSA]	No provision.	<p>States would be required to enact a law requiring procedures under which private attorneys and pro se obligees would be given access to State locate resources and enforcement techniques used by State CSE agencies, for the purpose of establishing, modifying, and enforcing child support, visitation, and parentage orders. The custodial parent would receive advance notice of any release of information with respect to the noncustodial parent and information could not be released if it could jeopardize the safety of either parent or child of either parent. [Sec. 404] States would be required to develop and publish guidelines (1) implementing the safety safeguards and (2) concerning any access fees charged. [Sec. 404]</p> <p>Federal death benefits, black lung benefits, veterans benefits, and workers' compensation would be subject to garnishment to meet child support obligations. [Sec. 432]</p> <p>States would be required to enact laws requiring use of procedures under which lottery winnings, insurance policy payments, claims settlements, payouts, awards, bequests, and profits from property forfeited to State because of criminal conviction would be seized to pay for child support arrearages. [Sec. 433]</p>	<p>States would be required to enact laws authorizing them to withhold, suspend, or restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of debtor parents or parents who have failed to comply with subpoenas or warrants relating to paternity or child support proceedings. [Sec. 667].</p> <p>In cases where the Secretary of DHHS receives a certification from a State CSE agency that an individual owes arrearages in child support of more than \$5,000, the Secretary of DHHS would be required to transmit the certification to the Secretary of State, who would be required to refuse to issue a passport to the debtor, and who could revoke, restrict, or limit a passport previously issued to him or her. [Sec. 673]</p> <p>States would be required to enact laws requiring the use of procedures under which the following assets could be seized for the purpose of securing overdue child support--unemployment compensation, workers' compensation, judgments and settlements in cases under State or local government jurisdiction, lottery winnings, assets held by financial institutions, and public and private retirement funds. States also would be required to use procedures under which liens could be imposed to force the sale of property and monthly</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
			<p>States would be required to enact a law requiring use of procedures that require courts or State agencies that issue or modify child support orders to report to each consumer reporting agency in the State (1) the name of the individual on whom the order imposes an obligation to pay child support and (2) the amount of the obligation. [Sec. 434]</p>	<p>support payments could be increased to include amounts for arrearages. [Sec. 636]</p> <p>States would be required to enact laws requiring the State to periodically report to consumer reporting agencies the name of noncustodial parents delinquent by 1 month or more in the payment of child support, and the amount of overdue support owed by the parent. [Sec. 668]</p> <p>State would be required to enact a law requiring use of procedures that place liens on motor vehicle titles of debtor parents owing at least 2 month's of child support payments. [Sec. 665]</p> <p>States would be required to have adopted the Uniform Fraudulent Conveyance Act of 1981, the Uniform Fraudulent Transfer Act of 1984, or another law that makes it easier for a State to take legal actions against parents who intentionally transfer property to avoid child support payment. [Sec. 666]</p> <p>States would be required to enact a law requiring the use of procedures under which State would calculate and collect interest or late penalties on arrearages. [Sec. 670]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>There is no Federal statute of limitations on child support arrearages. Fourteen States have set a statute of limitation on child support arrearages, 2 States have specified no statute of limitations on child support arrearages. Generally, in the other States where State law is silent, the statute of limitation for civil judgments is used. (Examples: In Kentucky, there is a 15 year limitation which begins when the child reaches the age of majority (i.e., age 18). In Connecticut, child support arrearages cannot be collected after the expiration of 25 years from the date the judgment was entered. In Delaware arrearage collections are made until all past-due support is paid.)</p>			<p>States would be required to enact a law requiring the use of procedures under which the statute of limitations on child support arrearages would extend at least until the child owed support reached age 30. [Sec. 669]</p>
	<p>Federal law prevents noncustodial parents from avoiding paying their child support obligation by filing bankruptcy.</p>			<p>States would be required to amend or change their bankruptcy laws to facilitate the uninterrupted flow of child support payments in the event the noncustodial parent files for or enters into bankruptcy. [Sec. 672]</p> <p>H.R. 4605 would amend laws related to the garnishment of Federal employee and retiree income to make them consistent with the terms and procedures for income withholding under the CSE program. [Sec. 664]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
INCOME WITHHOLDING	<p>Since November 1, 1990, all new or modified child support orders that were being enforced by the State's CSE agency were subject to immediate income withholding. Since January 1, 1994, the law has required States to use immediate income withholding for all new support orders, regardless of whether a parent has applied for CSE services. [Sec. 466(b)(3) and 466(a)(8)(B) of SSA]</p>	<p>H.R. 3500 would require the designee of the Secretary of DHHS to develop a uniform withholding order to be used in all cases in which income is to be withheld for the payment of child support, which is to contain the name of the individual whose income is to be withheld, the number of children covered by the order, and the individual or State to whom the withheld income is to be paid. The order would apply to all sources of income. [Sec. 504(b)]</p> <p>States would be required to designate a public agency to collect child support and distribute promptly all amounts collected as child support. States would be required to require courts that establish or modify child support orders to transmit a copy of the order to the State CSE agency, unless both parents object and the order does not provide for income withholding. States would be required to designate a State agency to use the uniform income withholding order to notify involved parties of the identity of the individual, the amount to be withheld, and the State agency to which the withheld amount is to be paid. [Sec. 504(a)]</p>	<p>The Secretary of DHHS would be required to develop a uniform withholding order for child support payments to be used in all cases in which income is to be withheld for the payment of child support, which is to contain the name of the individual whose income is to be withheld, the number of children covered by the order, and the individual or State to whom the withheld income is to be paid. The uniform withholding order would be generic to allow for the service of the order on all sources of income. [Sec. 431(c)]</p>	<p>States would be required to enact laws requiring the use of procedures under which income withholding would be applied to all child support orders subject to enforcement by the State CSE agency that were issued or modified before October 1, 1995 if an arrearage occurs, without the need for a judicial or administrative hearing. [Sec. 623(a)]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>States would be required to enact laws requiring employers to withhold child support pursuant to uniform income withholding orders. After receiving a copy of an order, the employer would be required to provide a copy to the employee subject to the order, and within 10 days after receipt of the order, to withhold income from the employee. The State would be required to impose a civil fine equal to the average cost of noncompliance (as determined by the State) or \$25, whichever is less, on an employer who fails to comply with the order within 10 days after receipt. Any fee imposed by the employer for the administration of child support income withholding and related reporting requirements could not exceed the average cost of such administration, as determined by the State. [Sec. 504(c)]</p>		

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
CHILD SUPPORT PAYMENTS FOR AFDC RECIPIENTS	Federal law requires that child support payments made on behalf of an AFDC family be paid directly to the CSE agency rather than the AFDC family. If the support collection is insufficient to disqualify the family from receiving AFDC, the family receives its full AFDC benefit plus up to the first \$50 of current monthly child support payments made on the child's behalf. The remainder of that monthly child support payment is distributed to reimburse the State and Federal Governments in proportion to their assistance to the family. The \$50 "pass-through" of child support collected on behalf of AFDC family does not affect the family's eligibility status or benefit amount. [Sec. 457(b)(1) of SSA]	No provision.	The maximum pass-through of monthly child support collected on behalf of an AFDC family, currently the actual amount of the support payment paid up to \$50, would be increased to \$100 per month. [Sec. 414]	<p>The mandatory pass-through of child support collections (now \$50 monthly) would be adjusted annually by the Consumer Price Index. [Sec. 705(e)]</p> <p>States could elect to pay all current child support payments directly to AFDC families (counting the child support as income). [Sec. 603(b)]</p> <p>If the parents of an AFDC child owed child support and receiving CSE services united or reunited in a "legitimate" marriage, the State would be required to suspend or cancel any arrearages owed to the State unless the family's joint income exceeded 200 percent of the Federal poverty guideline. [Sec. 603(e)]</p>
CHILD SUPPORT PAYMENTS FOR NON-AFDC RECIPIENTS				States would be required to distribute payments to non-AFDC families in the following order: current month's child support obligation, debts owed to the family (i.e., arrearages) that accrued before or after the family was receiving AFDC on behalf of the child, money owed to States for AFDC debt. [Sec. 603(c)]

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
OUTREACH				States would be required to have a plan for outreach to parents designed to provide information about and increase access to CSE services, including plans to respond to the needs of (1) working parents to obtain services without taking time off from work and (2) non-English speaking parents to reduce language barriers to enable them to obtain CSE services. [Sec. 606]
SOCIAL SECURITY NUMBERS				States would be required to enact a law requiring use of procedures requiring the recording of social security numbers of both parties on marriage licenses, divorce decrees, birth records, and child support and paternity orders. [Sec. 628]
DUE PROCESS RIGHTS				States would be required to include as part of their State plan procedures to ensure that all persons affected by provisions of the CSE program receive notice of all proceedings in which support obligations might be established or modified and receive a copy of any order establishing or modifying a child support obligation within 14 days of its issuance. Moreover, individuals receiving CSE services would be required to have access to a fair hearing. [Sec. 604]

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
PRIVACY SAFEGUARDS				States would be required to include as part of their State plan implementation of safeguards applicable to all sensitive and confidential information handled by the CSE agencies designed to protect the privacy rights of all affected parties, including (a) safeguards against unauthorized use or disclosure of information relating to actions or proceeding to establish paternity, or to establish or enforce child support obligations and (b) prohibitions on the release of information on the whereabouts of one party (who has a protective order) to another party against whom the protective order applies. [Sec. 605]

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
TRAINING AND STAFFING				<p>The Federal OCSE would be required to provide a federally developed core curriculum to all States to be used in the development of State-specific training guides. OCSE also would be required to develop a national training program for all State CSE directors. State CSE plans would have to include training plans, based on the newly developed State-specific training guide, that include initial and ongoing training for all persons involved in the operation of the State's CSE program. In addition, the training program could provide, subject to the approval of the DHHS Secretary, appropriate training to others working in the CSE arena, such as AFDC caseworkers, private attorneys, judges, law enforcement personnel, etc. [Sec. 615(b) and (c)]</p> <p>The Secretary of DHHS directly or by contract would be required to conduct studies of the staffing needs of each State's CSE program. The studies would have to include a review of the staffing needs created or reduced because of requirements for automated case processing systems, central registries and central payment centers. The Secretary of DHHS would be required to report to Congress the findings and conclusions of each of the staffing studies. [Sec. 615(d)]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
AUDITS				<p>Federal requirements related to the CSE audit process would be simplified to focus primarily on performance outcomes. States would be required to conduct self-reviews to assess whether or not all required services were being provided. Federal auditors would be required (at least once every 3 years) to assess States' data used to determine performance outcomes to determine if it is valid and reliable. [Sec. 613]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
WORK REQUIREMENT FOR NON-CUSTODIAL PARENTS	Federal law authorizes the Secretary of DHHS to grant waivers to up to five States to allow them to provide services to noncustodial parents under the JOBS program. [Sec. 482(d)(3) of SSA]	States would be required to enact a law requiring use of procedures under which 2 to 4 weeks of job search would be imposed (by court order) on able-bodied noncustodial parents who are delinquent in paying their child support by an amount at least equal to twice the monthly child support obligation and who are not subject to a court-approved plan for payment of such arrearages, provided the arrearage has not been reduced by a specified percentage within 30 days after notification by the State CSE agency that he or she is required to pay child support and subject to fines and other penalties for failure to pay the full amount in a timely manner. The required State law also would have to provide that if the arrearage has not been decreased by a specified percentage by the end of the 30-day period that began when an order to require the parent to participate in job search was entered, the parent must participate in a work program for at least 35 hours per week (30 hours per week if the program includes job search). [Sec. 506]	H.R. 4414 includes a provision stating that it is the sense of the Congress that States should develop programs, such as Wisconsin's "Children First program," that are designed to work with noncustodial parents who are unable to meet their child support obligations. [Sec. 436]	States would have the option of establishing training and employment opportunities (which could include training, work readiness, educational remediation, and WORK) for debtor noncustodial parents of children receiving AFDC benefits. State AFDC agencies would be required to garnish subsidized wages, or any stipends, paid in connection with a noncustodial parents's participation in the training or employment activities arranged by the State, and remit them to the CSE agency as a child support collection. [Sec. 206]

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>CHILD SUPPORT DEMONSTRATIONS TO IMPROVE CONTACT AND SUPPORT FROM NON-CUSTODIAL PARENTS</p>	<p>The Family Support Act of 1988 authorized \$4 million for each of the fiscal years 1990 and 1991 for State demonstration projects to develop, improve, or expand activities designed to increase compliance with <i>child access</i> provisions of court orders (Sec. 504 of P.L. 100-485). Projects were undertaken in Florida, Idaho, Indiana, Arizona, Iowa, and Massachusetts. The DHHS Secretary is to report to Congress on these projects in 1995 (an extended deadline).</p>			<p>Federal funds would be offered to States to establish programs to provide mediation services; visitation enforcement, including monitoring and supervision; education and counseling, develop parenting plans, and develop guidelines for visitation and alternative custody arrangements. These access and visitation grants to States would be authorized as a capped entitlement. [Sec. 691]</p> <p><i>Note:</i> States would be required to enact a law stipulating that nonpayment of child support would not be considered a defense to denial of visitation rights and denial of visitation rights would not be considered a defense to failure to pay child support. [Sec. 671]</p> <p>In addition, grants would be offered to States, Indian tribes, Alaskan Native organizations, or community-based organizations to establish noncustodial-parent components (components for fathers) to existing programs for "high-risk" families, such as Head Start, Even Start, and the Family Preservation and Support program. The purpose of the grants would be to improve the parenting skills of noncustodial parents, including information on the importance of paternity establishment and economic security for children. [Sec. 404(g)]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
CHILD SUPPORT ASSURANCE DEMONSTRATION PROJECTS	No provision.			The Secretary of DHHS would be <i>required</i> to make grants to three States to implement child support assurance projects. In these projects, the State would guarantee the custodial parent a minimum level of child support, which could be used to supplement earnings. The State would pay the difference between the guaranteed minimum and the amount collected (by the State) from the noncustodial parent. To be eligible for an assured benefit, the custodial parent would be required to have a child support order. States would have the option of limiting child support assurance benefits to families with income and resources below a standard of need established by the State. States would be prohibited from setting the assured benefit amount below \$125 per month or \$1,500 per year for 1 child. [Sec. 681]
LIABILITY OF GRAND-PARENTS FOR FINANCIAL SUPPORT OF CHILDREN OF THEIR MINOR CHILDREN			Unless a State enacted an exemption law, the State would have to enact a law requiring the use of procedures making each parent of an individual under age 18 liable for the financial support of any child of their teenager if he or she was unable to provide such support. [Sec. 435]	

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
REVOLVING LOAN FUND TO INCREASE CHILD SUPPORT COLLECTIONS				The Secretary of DHHS would be authorized to establish a revolving fund (up to \$100 million over 6 years) for loans to States for short-term projects that have the potential of achieving substantial increases in child support collections. [Sec. 661]
FINANCING	The Federal Government currently reimburses each State 66 percent of the cost of administering its CSE program. It also reimburses States 90 percent of the laboratory costs of establishing paternity, and through FY 1995, 90 percent of the costs of developing comprehensive statewide automated systems. In addition, the Federal Government pays States an incentive amount ranging from 6 percent to 10 percent of AFDC and non-AFDC collections. [Sec. 455 and 458 of SSA]			The Federal matching rate would be increased from 66 percent to 75 percent. [Sec. 611] The Federal matching rate would be adjusted to reward States with high paternity establishment rates and high overall performance. States with high paternity establishment rates could earn an increase of up to 5 percentage points in their Federal matching rate and States with high overall performance could earn an increase of up to 10 percentage points in their Federal matching rate. The overall performance measure would take into account the percentage of cases with child support orders established, the percentage of overall cases with orders in paying status, the percentage of overall collections compared to the amount due, and cost-effectiveness of the State's CSE program. The Secretary of DHHS would be required to determine the actual amount of the incentive adjustments to the Federal matching rate. [Sec. 612]

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>States would receive Federal matching funds of 80 percent, or 75 percent plus incentives, whichever were higher, for the planning, design, procurement, conversion, testing and start-up of their automated State registries and centralized payment centers. [Sec. 614(b)]</p> <p>Federal payments for States' automated data processing and information retrieval systems would be limited to \$260 million during the first 5 years after enactment. [Sec. 614(b)]</p> <p>An amount equal to 2 percent of the Federal share of child support collections made on behalf of AFDC families in the previous year would be authorized each fiscal year to operate the FPLS and the National Welfare Reform Information Clearinghouse, to the extent that the costs are not recovered through user fees. [Sec. 616]</p> <p>An amount equal to 1 percent of the Federal share of child support collections made on behalf of AFDC families in the previous year would be authorized each fiscal year to provide funding for technical assistance to States, training of State and Federal staff, staffing studies, research, demonstrations, and related activities. [Sec. 616]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
PROVISIONS RELATING TO THE FOOD STAMP PROGRAM				
FOOD STAMP ELIGIBILITY AND BENEFITS	The Food Stamp program has financial, employment/training, and "categorical" tests for eligibility. Its financial tests require that recipients have monthly cash income and liquid assets below limits set by food stamp law. Under the employment/training-related tests, certain household members must register for work, accept suitable job offers, and fulfill work or training requirements established by State welfare agencies. Categorical eligibility rules make some people automatically eligible for food stamps (most AFDC, SSI, and general assistance recipients), and automatically deny eligibility to others (e.g., strikers, illegal aliens, some postsecondary students, and those who quit a job).			
Irregular or Inconsequential Income	The Food Stamp Act requires the exclusion of income of \$30 or less in a quarter per household received too infrequently or irregularly to be anticipated. The exclusion does not apply under retrospective budgeting. [Sec. 5(d)(2) of the Food Stamp Act]			"Inconsequential" payments of less than \$30 per household member per quarter would be disregarded, if the payment were received during the certification period, regardless of whether the household's income is calculated on a prospective or retrospective basis. [Sec. 721]

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Education Assistance	The Food Stamp program excludes all education assistance received under title IV of the Higher Education Act, the Bureau of Indian Affairs programs, or the Carl Perkins Act. Other education aid is excluded to the extent used or made available for tuition, fees, books, supplies, transportation, and miscellaneous personal expenses (not including living expenses). [Sec. 5(d)(3) of the Food Stamp Act]			All education assistance provided to a food stamp household member would be disregarded. [Sec. 722]
Earnings of Elementary and Secondary Students	Effective September 1994, the Food Stamp program will exclude the earnings of elementary or high school students age 21 and under. [Sec. 5(d)(5) of the Food Stamp Act]			The disregard of earnings of elementary and secondary school students would be limited to students under age 19. [Sec. 723]
Counting Income from Training Programs	Food stamp law requires States to disregard earnings from JTPA on-the-job training programs for dependents under age 19. Other on-the-job training earnings (non-JTPA) are considered earned income. The JTPA requires that other JTPA stipends and allowances (and National Service allowances) be disregarded by the Food Stamp program. [Sec. 6(l) of the Food Stamp Act and Sec. 142(b) of the Job Training Partnership Act]			The food stamp law would be amended to require States to treat any on-the-job training earnings (including those of dependents) as earned income. [Sec. 724] All training stipends or allowances (including those of JTPA and National Service) received by any member of the food stamp household would be disregarded. [Sec. 724]

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Resources	<p>Food stamp law prohibits households without an elderly member to have counted liquid assets of more than \$2,000. Households with an elderly member cannot have counted liquid assets of more than \$3,000. Counted assets do not include the value of the home and surrounding property, a portion of the value of any vehicle, business assets (including property, such as farm land, and work-related equipment and vehicles), household goods and personal effects, burial plots, the cash value of life insurance policies and pension plans (other than Individual Retirement Accounts and Keogh plans), Federal earned income tax credit refunds (for the month of receipt and the following month), disaster payments, income-producing property, certain payment to Indians, and resources whose cash value is not accessible or of slight value. [Sec. 5(g) of the Food Stamp Act]</p> <p>Effective September 1994, lump-sum Federal earned income tax credits will not be counted as assets for 12 months after receipt, if received while enrolled in the Food Stamp program and only during a 12-month period of enrollment. [Sec. 5(g)(3) of the Food Stamp Act]</p>			<p>Loans obtained for the purpose of starting or operating a business would be excluded from being counted as a resource. The Secretary of Agriculture would be permitted to exclude from resources liquid or nonliquid assets that were used or would be used for the self employment of any member of a food stamp household to the extent and under circumstances allowed in regulations that would be issued by the Secretary of Agriculture after consultation with the Secretary of DHHS. [Sec. 726]</p> <p>Federal or State lump sum earned income tax credit refunds would not be counted as a resource for the 12-month period following receipt of such payment, regardless of when received. [Sec. 725]</p> <p>Lump-sum reimbursements or advance payments for medical expenses or the cost of repairing or replacing resources of the family would be excluded from being counted as a resource for a period of 1 year following their receipt. [Sec. 727]</p> <p>Money placed in "individual development accounts" would not be counted as a resource as long as the amount did not exceed \$10,000 (including interest) but only amounts credited to accounts while the person</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				was a recipient of AFDC or food stamp benefits. In addition, nonrecurring lump-sum payments received by any food stamp household member would not be counted as a resource in the month of receipt and the following month if the member says that the payment is to be deposited in an individual development account. [Sec. 728]
STATE SHARE OF RECOVERY OVER-PAYMENTS	Food stamp law allows States to retain a portion of improperly issued benefits that they recover (other than those caused by a welfare agency error). States are permitted to retain 25 percent of recoveries in fraud cases and 10 percent in other circumstances (e.g., unintentional recipient error). This provision expires at the end of FY 1995. When it expires, States would again be permitted to keep a higher proportions of recoveries: 50 percent of recoveries from intentional program violations and 25 percent of other recoveries. [Sec. 16(a) of the Food Stamp Act]			H.R. 4605 would extend for 9 years (until FY 2005) the reduced percentages of food stamp recoveries of overpayments from intentional program violations and other circumstances (i.e., 25 percent and 10 percent). [Sec. 905]

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
FOOD ASSISTANCE BLOCK GRANT	<p>The Food Stamp Act, the National School Lunch Act, the Child Nutrition Act, the Emergency Food Assistance Act, and provisions in a number of other laws (such as the Older Americans Act) establish federally supported food assistance programs that aid low-income persons and specific vulnerable population groups, including children, the elderly, infants, and pregnant and postpartum women. These programs include the Food Stamp program, the School Lunch program, the School Breakfast program, the Summer Food Service program, the Child and Adult Care Food program, the Special Milk program, the Special Supplemental Food Program for Women, Infants, and Children (WIC), the Commodity Supplemental Food program, the Emergency Food Assistance program, Older Americans Act programs providing congregate and home-delivered meals to the elderly, programs providing Federal commodities to Indian tribes, schools, child care agencies, and charitable agencies, and programs providing States and school food service agencies with administrative cost assistance and nutrition education and training. Although most Federal support is directed to low-income recipients, a significant portion goes to persons from families with incomes above Federal poverty guidelines: e.g., all lunches served in the School Lunch</p>	<p>Title VIII would repeal all provisions of current law establishing Federal food assistance programs and replace them with annual food assistance block grants to States, the District of Columbia, Indian tribal organizations with governmental jurisdiction, Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Marianas, the Marshall Islands, Micronesia, and Palau. States and other jurisdictions would use their block grant funds to provide food assistance to "economically disadvantaged" persons (i.e., individuals or families whose income does not exceed the Labor Department's most recent "lower living standard" income levels--which ranged for a four-person family in 1993 from \$20,420 in nonmetropolitan areas of the South to \$24,890 in metropolitan areas of the Northeast, higher in Alaska, Hawaii, and Guam). States and other jurisdictions could continue to operate programs as they now exist or design their own initiatives. However, any "entitlement" costs above the amount of their block grant would have to be absorbed by the State.</p>		

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>program are federally subsidized, but subsidies are greater for those served to lower income children; the WIC program serves women with incomes as high as 185 percent of the poverty guidelines.</p>			
	<p>The Food Stamp program, the School Lunch and Breakfast programs, the Summer Food Service program, the Child and Adult Care Food Program, and the Special Milk program (which together represent the overwhelming majority of food assistance spending) are "entitlement" programs where appropriations are made for all benefits claimed by eligible recipients. Under the Food Stamp program, the Federal Government pays the full cost of federally established benefits and half of States' administrative expenses; under the school food programs, the Child and Adult Care Food program, and the Special Milk program, the Federal Government pays schools specific subsidies per meal (or per half-pint of milk) varying by the income of the recipient; in all cases, benefits and eligibility limits are automatically adjusted for inflation. Spending on the remaining programs depends on the size of each program's annual appropriation. In some cases, there is no direct spending: i.e., the provision of "bonus" commodities acquired through farm price-support operations to Indian tribes, schools, and other agencies.</p>	<p>Authorized appropriations would be \$35.6 billion in FY 1995 and such sums as are necessary for FYs 1996-1999. Beginning with FY 1996, the total amount to be allotted to States and other jurisdictions each year would be limited to previous year's funding level adjusted to reflect (1) the percentage change in population and (2) the percentage change in the food at home component of the Consumer Price Index. To afford adequate notice for planning, "advance" appropriations would be allowed.</p> <p>Appropriations would be allocated among the States, the District of Columbia, and Puerto Rico according to their share of all <i>economically disadvantaged persons</i>. Indian tribal organizations would receive an "equitable" share of the 0.24 percent of total appropriations reserved for them. Guam, the Virgin Islands, American Samoa, the Northern Marianas, the Marshall Islands, Micronesia, and Palau would each receive a share of the 0.21 percent of appropriations reserved for them.</p>		

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	Commonwealths, territories, associated states, and Indian tribal organizations participate in food assistance programs to varying degrees, or not at all.	In order to receive its block grant, each State or other jurisdiction would have to provide at least the following assurances: (1) the grant will be used to provide food assistance to resident economically disadvantaged persons and families, (2) no more than 5 percent of the grant will be spent on administrative costs, (3) at least 12 percent of the grant will be spent to provide assistance to pregnant, postpartum, and breastfeeding women, infants, and young children, and (4) at least 20 percent of the grant will be spent to provide the following types of assistance to children from economically disadvantaged families-- lunch and breakfast programs in schools, milk programs in schools and child care settings, food service programs in child care institutions, and summer food service programs. However, the Secretary of Agriculture could reduce the 12 and 20 percent minimum requirements at State request.		

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>Certain residual <i>Federal</i> responsibilities would remain, in addition to allocating and overseeing the use of food assistance block grants. To the extent that States and other jurisdictions chose to use food stamp-like coupons as their method of issuing benefits, the Federal Government would assume responsibility for printing coupons, approving food concerns as eligible to accept coupons, and redeeming them for cash through banks and the Federal Reserve. To carry this out, title VIII reenacts those portions of the Food Stamp Act governing redemption of coupons, approval of food concerns, and penalties for food coupon trafficking, and States and other jurisdictions would, out of their block grant, pay the face value of any federally issued coupons they provided to recipients. The Federal Government also would be allowed to sell surplus and other food commodities held by the Department of Agriculture to the States to provide food assistance.</p> <p>Although title VIII would become effective on enactment, provisions repealing existing food assistance laws would not become effective until a fiscal year for which block grant funds are appropriated at least 180 days in advance.</p>		

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
PROVISIONS RELATING TO RECEIPT OF "WELFARE" BY ALIENS				
<p>Provisions Related to Alien Eligibility for Federal Assistance</p>	<p>Aliens who are lawful permanent residents or are otherwise legally present on a permanent basis (e.g., refugees) generally are eligible for Federal benefits on the same basis as are citizens. Of the major benefit programs, illegal (undocumented) aliens are eligible only for emergency Medicaid services; however, many benefit programs do not restrict eligibility on the basis of alien status.</p> <p>In determining the SSI eligibility and/or benefit amount for a person who is an alien, a portion of the income and resources of any person (and spouse) who sponsors an alien (i.e., by signing an affidavit of support) is deemed to be the income and resources of the alien for a period of 3 years after the alien's entry into the United States (effective January 1, 1994 through September 30, 1996, the deeming period is extended to 5 years). [Sec. 1621 of SSA]</p>	<p>H.R. 3500 would prohibit most aliens from receiving Federal assistance. (This provision is one of the bill's primary funding mechanisms.) The exceptions would be refugees until they had been in this country for 6 years, and persons aged 75 and older who had been lawfully admitted for permanent residence and who had resided in the United States for at least 5 years. Aliens would be barred from 61 Federal programs, including AFDC, SSI, Food Stamp, child nutrition programs, housing programs, education programs, job training programs, etc. The only program from which they would not be barred would be the Medicaid emergency services program. The bar would go into effect for current residents 1 year after enactment. [Sec. 601]</p>	<p>H.R. 4414 would cut off AFDC, SSI, food stamps, medicaid and the earned income tax credit for asylees and refugees 6 years after obtaining that status unless they are age 75 or older. H.R. 4414 would restrict eligibility for the earned income tax credit to aliens lawfully present in the United States in a status which permits employment. [Sec. 701-705]</p> <p>[Note: The intent of H.R. 4414 is to deny all aliens AFDC, SSI, food stamps, and non-emergency medicaid, with the following exception: (1) refugees and asylees could receive assistance for 6 years after obtaining refugee or asylee status, and (2) permanent resident aliens age 75 or older could receive assistance if they have resided in the United States at least 5 years.]</p>	<p>H.R. 4605 would make permanent (with the provision of individual waivers) the current 5 year sponsor-to-alien deeming under the SSI program (i.e., the period when immigrants who apply for SSI benefits are deemed to have available some income from their immigration sponsors). H.R. 4605 would extend from 3 years to 5 years sponsor-to-alien deeming under the AFDC and food stamp programs (with the provision of individual waivers). Sponsored aliens would be denied AFDC, SSI, and food stamps after the 5-year deeming period if their sponsor had family income higher than the national family median (currently \$39,500) during the prior year. [Sec. 903(a) and (b)]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>State welfare agencies would be required to report to the Immigration and Naturalization Service (INS) the name, address, and other relevant information that it has concerning any person unlawfully in the United States who is the parent of a child with citizenship (by birth). [Sec. 602]</p>		<p>H.R. 4605 would provide that only aliens with specific INS-defined immigration statuses would qualify for benefits under the AFDC, SSI, food stamp, and Medicaid programs. These new eligibility rules for aliens would be effective only for those who apply for program benefits after enactment of this provision. [Sec. 902(a) and (c)]</p> <p>State and local general assistance programs would be permitted to use the same INS-defined immigration statuses for eligibility purposes. [Sec. 902(b)]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
			<p>An affidavit of support or similar document of financial responsibility signed by a sponsor of an alien would legally obligate the sponsor to reimburse any State or locality for general cash public assistance provided to the alien until the alien becomes a U.S. citizen. [Sec. 711]</p> <p>An affidavit of support or similar document of financial responsibility could be enforced in a civil suit brought by the Attorney General or a State or locality in the United States district court for the district in which the sponsor resides. A sponsor or a sponsor's estate would not be liable under the affidavit or similar document if the sponsor died or was adjudicated as bankrupt. [Sec. 712]</p>	

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
			<p>States would be permitted to deny or limit general assistance payments (i.e., State welfare benefits paid entirely by State and/or local funds) to aliens. States would be prohibited from imposing eligibility requirements on aliens that are more restrictive than eligibility requirements for comparable Federal programs. [Sec. 713]</p> <p>H.R. 4414 would authorize appropriation of \$250 million for each of the fiscal years 1995-1998 to help States fund discretionary programs of assistance to aliens lawfully admitted for permanent residence. Each State would receive an amount specified by the bill. [Sec. 714]</p>	<p>States would be permitted to disqualify from their general assistance programs any alien who was not eligible for AFDC, SSI, or food stamps. [Sec. 903(c)]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Declaration of Citizenship and Alienage	Federal law requires, as a condition of eligibility for assistance (AFDC, Medicaid, Unemployment Compensation, Food Stamps, and SSI), a declaration in writing by the individual (or, in the case of an individual who is a child, by another on his or her behalf) under penalty of perjury, stating whether or not the individual is a citizen or national of the United States, and if the individual is not a citizen or national of the United States, whether he or she is in satisfactory immigration status. [Sec. 1137(b) and (d) of the SSA]			Federal law would be amended to allow one adult member of an applicant AFDC unit to sign the declaration of citizenship or alien status for all members of the unit (and would require that with respect to a newborn to the AFDC family, the declaration would be made no later than the time of the next redetermination of the family's eligibility following the birth of the child). [Sec. 713]

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
MISCELLANEOUS PROVISIONS				
Teenage Pregnancy	<p>States are required to provide family planning services (to prevent or reduce the incidence of births <i>out of wedlock</i>) to any AFDC recipient who requests such services. [Sec. 402(a)(15)(A) of SSA]</p>		<p>The Secretary of Education and the Secretary of DHHS would be required to establish a task force to (1) educate children about the risks of early parenthood, (2) ensure that every potential parent has access to family planning information and services, (3) encourage States to use title XX funds for comprehensive services to youths in "high risk areas", and (4) encourage States to work with schools to identify students who are at risk of being teenage parents, and refer those students to appropriate services. [Sec. 503] H.R. 4414 also contains a sense of the Congress provision indicating the need to do the things listed above. [Sec. 511(b)]</p> <p>States would be required to provide family planning services (to prevent or reduce the incidence of births) to any AFDC recipient who requests the services. [Sec. 512]</p>	<p>H.R. 4605 directs the DHHS Secretary, the Education Secretary, and the Chief Executive Officer of the Corporation for National and Community Service to establish a National Clearinghouse of Adolescent Pregnancy and to make grants (\$50,000 minimum and \$400,000 maximum per year for 5 years) for school-based programs aimed at preventing adolescent pregnancy in areas of high poverty, substantial incidence of AFDC, or high unwed teenage birth rates. Eligible for grants would be "partnerships" of local educational agencies and one or more community-based organizations, institutions of higher education, or public or private agencies or organizations. H.R. 4605 says grants should not exceed \$20 million for FY 1995; the ceiling rises to \$100 million for FY 1999 and subsequent years. [Sec. 505]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
				<p>H.R. 4605 directs the DHHS Secretary, in consultation with the Education Secretary, the HUD Secretary, the Attorney General, the Labor Secretary, and the Director of the Office of National Drug Control Policy, to approve from 5 to 7 demonstration projects to provide comprehensive services aimed at preventing adolescent pregnancy in "high-risk" communities with a poverty rate of at least 20 percent. Eligible to operate a project would be a local public or private nonprofit organization, including a governmental unit. The bill would make available \$20 million annually for 5 fiscal years for these projects. [Sec. 506]</p>

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill; H.R. 4605 (S. 2224)
<p>SSI Benefits for Drug Addicts and Alcoholics</p>	<p>Under the SSI program an individual is considered to be a medically determined drug addict or alcoholic only if (1) he or she is disabled (as defined by SSI law), and (2) drug addiction or alcoholism is a contributing factor to such disability. The presence of a condition diagnosed or defined as addiction to alcohol or drugs does not by itself qualify an individual for SSI benefits.</p> <p>Section 1631(a)(2)(A) of SSA requires SSI recipients disabled because of drug addiction or alcoholism to have a representative payee; section 1611(e)(3)(A) of SSA requires these recipients to participate in an approved treatment program when available and appropriate; and section 1611(e)(3)(B) of SSA requires recipients to allow their participation in that treatment program to be monitored by SSA.</p>	<p>The Secretary of DHHS would be required to identify all SSI recipients whose disability is the result of addiction to illegal drugs. The Secretary would be required, on a random basis and periodically, to test each identified recipient to determine whether the recipient is using illegal drugs. Any individual found to be using illegal drugs or who refused to submit to testing would become ineligible for SSI. [Sec. 902(a)]</p> <p>Government agencies would be allowed to become paid representative payees. H.R. 3500 would set the maximum fee payable to a representative payee at no more than 10 percent of the individual's monthly SSI benefit. [Sec. 902(b)]</p>		
<p>Cap on Funding for Selected Means-Tested Programs</p>	<p>AFDC, SSI, food stamps, and the Earned Income Tax Credit (EITC) are treated as open-ended entitlements. Housing subsidies are not entitlement, and many eligible persons are excluded for lack of funding.</p>	<p>H.R. 3500 would limit funding for AFDC, SSI, food stamps, rental assistance, public housing assistance, and EITC to a base level, adjusted for inflation, plus 2 percent per fiscal year. [Sec. 701 and 702]</p>		

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED.**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
	<p>The Balanced Budget and Emergency Deficit Control Act of 1985 established a series of declining annual deficit targets and created a process known as sequestration intended to ensure that the deficit targets are adhered to. Under the sequestration process, across-the-board reductions in spending are made automatically if the deficit for that year is estimated to exceed the statutory target.</p>	<p>H.R. 3500 would require that after all sequestrations have been made, specified means-tested program accounts would be sequestered to achieve reductions sufficient to eliminate a budget-year breach of the aggregate spending cap on the selected means-tested programs (noted above). [Sec. 702]</p>		
<p>Option To Convert AFDC Program to a Block Grant Program</p>	<p>The AFDC program is considered an entitlement program. The States are entitled to matching funds for AFDC benefits and JOBS costs if they conform to their only State plan. The State must pay benefits to any person who meets its eligibility requirements, and the Federal Government must provide unlimited matching funds based on a prescribed formula. The Federal Government pays at least 50 percent of each State's AFDC benefit costs and may pay up to 83 percent of such costs (the funding formula is inversely related to a State's per capita income, i.e., poorer States get a higher Federal match). It also pays 50 percent of administrative costs. States decide whether their localities must help pay for AFDC. [Sec. 1118 and 1905(b) of SSA]</p>	<p>Under H.R. 3500, any State could elect to receive its Federal AFDC funding as a block grant. If a State were to make this choice, the Secretary of DHHS would be required to make payments to the State for each fiscal year in an amount equal to 103 percent of the total amount to which the State was entitled in FY 1992. Each State receiving block grant funds would be required to use the funds to provide cash benefits to needy families with dependent children, but the State would not be subject to Federal AFDC regulations. Within 3 months after the end of each fiscal year block grant States would have to submit a report to the Secretary accounting for all expenditures of the block grant funds. The Secretary would be required to reduce by 20 percent the amount that otherwise would be payable to a State if the State failed to provide cash benefits to needy families with children. [Sec 301]</p>		

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
AFDC Fraud Prevention	Federal regulations require State AFDC agencies to establish and maintain (a) methods and criteria for identifying fraud (defined by State) and (b) procedures for referring to law enforcement officials cases in which fraud is suspected. [Title 45 CFR Sec. 235.110]			
	Federal law requires States to have in effect an income eligibility and verification system covering AFDC, food stamps, Medicaid, and unemployment compensation. [Sec. 402(a)(25) of SSA]	H.R. 3500 would require the DHHS Secretary to establish a commission to determine the cost and feasibility of creating an interstate system to compare the Social Security account numbers of all AFDC recipients in order to identify any persons who receive AFDC from two or more States. The Secretary would be required to submit a report to the Congress containing the commission's findings within 2 years of enactment. [Sec. 905(b)]		
	States also have the option of establishing an AFDC fraud control program. Under this program, persons found to have intentionally made a false or misleading statement or misrepresented, concealed, or withheld facts, or committed any act intended to mislead, misrepresent, conceal, or withhold facts in order to gain AFDC eligibility or maintain or increase the family's AFDC benefit are to be disqualified from the AFDC program for 6 months for the first offense, 1 year for the second offense, and permanently for the third offense. [Sec. 416 of SSA]			

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
SSI Fraud Prevention	A team of 18 Federal and State employees, referred to as the SSA Disability Process Reengineering Team, submitted a proposal to improve the disability claims process to the SSA Commissioner (April 1994).		H.R. 4414 includes a sense of the Congress statement that expresses support for the efforts of SSA to reduce fraud and abuse in the SSI program by implementing a "structured approach to disability decisionmaking." The statement indicates that the new disability claims process would include standardized criteria which could be used to measure a child's functional ability to perform a baseline of functions that are comparable to the baseline of occupational demands for an adult. [Sec 631]	
Counterfeit-Resistant Identification Card			The Secretary of DHHS would be required to conduct a study of the feasibility of issuing a single identification card that would combine the features of the social security card and any health security card. The Secretary of DHHS would be directed to consider fingerprint identification codes, bar codes, photographs, holograms, etc. in developing a counterfeit-resistant identification card as well as the effectiveness and efficiency and costs and risks associated with a single identification card. A report to Congress would be due no later than 1 year after enactment. [Sec. 632]	

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Electronic Benefit Transfer Demonstrations		H.R. 3500 would authorize the DHHS Secretary to conduct demonstration projects in several States to determine whether providing benefits based on need through the use of electronic cards and automatic teller machines would reduce administrative costs and fraud. The Secretary would be required to report to Congress, within 5 years of enactment, a summary of the results of the project and recommendations concerning whether and how more States might be required or encouraged to use electronic funds transfer in providing benefits based on need. [Sec. 905(a)]	States would be given the option of providing AFDC benefits through the use of an electronic benefits transfer system. [Sec. 601]	

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Waiver Requests	<p>The primary way in which a State may receive Federal matching funds for AFDC program expenditures that otherwise would be disqualified because of not conforming to State AFDC plan provisions is for the State to obtain a waiver under section 1115 of SSA. Section 1115 authorizes the Secretary of DHHS to waive compliance with specified requirements of the Act that the Secretary judges likely, via experimental, demonstration, or pilot projects, to assist in promoting the objectives of the AFDC, child support, or Medicaid programs, among others. [Sec. 1115 of SSA].</p>	<p>H.R. 3500 would establish an Interagency Waiver Request Board to develop and coordinate waiver requests designed to improve opportunities for low-income individuals and their families. [Sec. 401] The chairperson of the board would be required to approve or disapprove an application within 90 days after receipt. [Sec. 403] Entities that obtain waivers would be required to submit annual reports to the chairperson on the program's principal activities and achievements. [Sec. 404] Entities that seek a waiver must establish a public-private partnership committee to aid in the development and implementation of the program. [Sec. 405] The General Accounting Office would be required to issue two reports on the implementation and effectiveness of the waiver request process on the covered Federal assistance programs. [Sec. 407] The authority for the Waiver Request Board would expire 7 years after enactment. [Sec. 408]</p>	<p>The Secretary of DHHS would be required to approve or deny an application for Section 1115 waiver of AFDC law within 90 days after receipt of the application, unless the Secretary and the State have agreed to some other arrangement. [Sec. 602]</p>	

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Limitation on Emergency Assistance Funds</p>	<p>Title IV-A of the Social Security Act permits States to operate an Emergency Assistance (EA) program for needy families with children (whether or not eligible for AFDC) if the assistance is necessary to avoid the destitution of the child or to provide living arrangements in a home for the child. The statute authorizes 50 percent Federal matching for EA furnished for a period not in excess of 30 days in any 12-month period. [Sec. 406(e) and 402(a)(5) of SSA]</p>	<p>No provision.</p>	<p>Federal expenditures on EA funds to States would be limited. A State would receive Federal reimbursement equal to the lesser of (a) 50 percent of the total amount spent by the State on EA or (b) total expenditures on EA in the prior fiscal year multiplied by 4 percent if the national unemployment rate was 7 percent or greater, otherwise multiplied by 3 percent; or total expenditures on EA during FY 1993, whichever is greater. [Sec. 721(a)]</p>	<p>Federal expenditures on EA funds to States would be capped. The cap would be set in FY 1995 at \$418 million and increased by the rise in the Consumer Price Index in subsequent years. The Federal match would continue at 50 percent up to the cap. All States would at a minimum continue to receive EA funding equal to their actual FY 1991 levels. The allocation of EA funds among States would be based on (1) their proportional EA spending in 1994 and (2) their total AFDC spending in the previous year. The weighing of these two components would shift toward item 2 during a 10-year transition period. At the end of the transition period, the allocation of EA funds among the States would be based solely on each State's share of AFDC spending. [Sec. 901]</p>

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Public Housing Rent Reform	As of December 1993, "adjusted income" used to determine rent charged in public housing and Section 8 housing is defined as annual gross income minus: \$480 per dependent, \$400 for an elderly family, excess medical cost for an elderly family, and costs of child care and handicapped assistance. P.L. 101-625 increased deductions from income used to calculate rent (and established a work reward: disregard of 10 percent of earnings), but the changes were dependent upon appropriations to fund them (not yet provided). A family living in public housing is required to pay 30 percent of the adjusted income for rent.	Under H.R. 3500, the amount of any Federal, State, and local income taxes and social security payroll taxes paid by any member of a family living in public housing would be deducted from income used to calculate rent. [Sec. 906(b)] H.R. 3500 would give a public housing authority (PHA) the option of disregarding from consideration as income for purposes of determining rent charges, all or part of any increases in the earned income that results from the employment of a previously unemployed member of a family that is living in public housing during that member's first 2 years of employment. [Sec. 906(b)]		

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
		<p>Under H.R. 3500, the Secretary of the Department of Housing and Urban Development (HUD) could authorize up to 50 PHAs or resident management corporations (RMCs) to carry out demonstration programs to determine the feasibility and desirability of giving PHAs or RMCs authority to establish policies for the operation, maintenance, management, and development of public housing projects. The objective of the demonstration programs would be to encourage resident empowerment and reduce the poverty of public housing residents. The demonstrations could not operate for longer than 5 years. The PHAs or RMCs conducting demonstrations would be required to submit annual reports to the Secretary of HUD and the Secretary would be required to submit a report to Congress describing and evaluating the demonstrations not later than 6 years after enactment. [Sec. 906(c)]</p>		

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Income Test on Meal Reimbursements to Family Day Care Homes</p>	<p>The child and adult care food program provides subsidized meals and snacks for children and adults in child and adult care centers and for children in family day care homes. Persons in households with income below 130 percent of the Federal poverty income guidelines are eligible for free meals and snacks, those with income between 130 percent and 185 percent of the Federal poverty income guideline are eligible for a reduced-price meal. There is no income test for child care food program meals provided in family day care homes or group homes, for which a separate reimbursement rate system and administrative funding are provided. (Meals served to the children of the family day care provider are subject to the income test.) The Federal reimbursement rate for meals served at child and adult day care centers vary according to whether the meal is free, reduced price, or full price. The reimbursement rate for family or group homes does not vary.</p>			<p>The bill would establish a two-tiered reimbursement structure with a higher level of Federal reimbursement for meals served by family day care homes located in low-income areas. Day care homes not in low-income areas could impose an income test on enrolled children. Meals served to children whose family income is below 185 percent of the Federal poverty income guideline would be eligible for the higher level of Federal reimbursement. [Sec. 904(a)]</p> <p>Funding would be authorized for State agencies to provide technical assistance to sponsors (of group or family day care homes or to the home providers themselves) to help implement the new reimbursement system; \$2 million in FY 1995 and \$5 million in FY 1996. In addition, \$5 million would be authorized for the licensing of family day care homes in low-income areas. [Sec. 904(b)]</p>

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Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
Limitation of Commodity Credit Price and Income Support Programs to Those With Income Below \$100,000	The U.S. Department of Agriculture's (USDA) Commodity Credit Corporation, a wholly owned Government corporation serves as a financing mechanism for USDA farm commodity price and income support programs. The CCC is authorized to make crop loans and direct subsidy payments to farmers, purchase surplus dairy products, and pay contractors to store and handle the farm surpluses it acquires.			Federal law would be amended to prohibit persons with annual off-farm adjusted gross income of more than \$100,000 from receiving any income or price supports through loans, purchases, payments, etc. from the USDA Commodity Credit Corporation. [Sec. 906]
Extension of Corporate Environmental Income Tax	The Superfund hazardous waste cleanup program is financed with both Federal funds and a broad-based environmental tax, based on corporate alternative minimum taxable income. The corporate environmental income tax is scheduled to expire at the end of 1995.			The corporate environmental income tax, one of the funding sources for the Superfund hazardous waste cleanup program, currently scheduled to expire January 1, 1996 would remain in effect until February 1, 1998. [Sec. 907]
Permanent Extension of Railroad Safety User Fees	Railroad safety inspection fees were enacted in the Omnibus Budget Reconciliation Act of 1990 (P.L. 100-203) to pay for the costs of the Federal rail safety inspection program. The fees are scheduled to expire in 1996.			Railroads would be required to pay railroad safety inspection fees on a permanent basis. [Sec. 908]

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A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Extension of Custom Services Fees</p>	<p>Federal law requires the U.S. Customs Service to charge a flat-rate merchandise processing fee for processing commercial and noncommercial merchandise that enters or leaves U.S. warehouses. The fee generally is set at .19 percent of the value of the good. Other variable customs fees are charged for processing passengers, commercial truck arrivals, railroad car arrivals, private vessel or private aircraft arrivals, dutiable mail, broker permits, and barge/bulk carriers. These fees are scheduled to end on October 1, 2003.</p>			<p>The flat-rate merchandise processing fee and other variable fees charged by the U.S. Customs Service on various commodities would remain in effect through September 2004. [Sec. 911]</p>
<p>Requirement that Out-of-State Firms Pay State and Local Sales Taxes</p>	<p>Federal law does not authorize States to require out-of-State companies to collect sales taxes on mail order purchases unless the companies has stores in the State in which the purchaser lives.</p>		<p>Out-of-State companies that provide mail-order merchandise would be required to collect and remit State and/or local sales taxes to the State in which the purchaser resides. [Sec. 744]</p> <p>H.R. 4414 includes sense of Congress language which says that in authorizing States to require out-of-State companies to collect sales taxes on mail order purchases, Congress encourages States to use increased revenues resulting from such collections to (1) offset potential higher State costs associated with the elimination of certain Federal assistance to immigrants and (2) design assistance programs that address the special needs of immigrants entering the United States. [Sec. 743]</p>	

**WELFARE REFORM: A COMPARISON OF HOUSE BILLS THAT PROPOSE
A TIME LIMIT--H.R. 3500, H.R. 4414, AND H.R. 4605--CONTINUED**

Item	Current law	House Republican Bill, H.R. 3500	McCurdy et al., H.R. 4414	Clinton Administration Bill, H.R. 4605 (S. 2224)
<p>Enforcement of Assumed Cuts in Mandatory Spending</p>				<p>H.R. 4650 would reduce funding available to the DHHS Secretary for JOBS/WORK research, demonstrations, and technical assistance (and, possibly, for technical assistance concerning child support enforcement) if the Director of the Office of Management and Budget, after consultation with the Secretary, certifies that "mandatory spending" in a fiscal year, despite States' full use of data in the National Welfare Reform Information Clearinghouse established by this bill, was not reduced by the amount projected in cost estimates accompanying the bill. Further, if these measures did not achieve the full amount of assumed savings, the bill then would reduce (by up to 3 percent) AFDC funding to States that failed to make full use of data from the Clearinghouse.</p> <p>The bill states that the purpose of this provision is to assure achievement of the reductions in mandatory spending assumed in estimates for FYs 1998-2003 accompanying the bill, and this section is entitled "Offsets to mandatory spending from reduced waste, and abuse." [Sec. 405]</p>