JB/ME –

Here are
missing History
items.
Except where noted,
these are copies
you can ~~put in~~ give to
David's. note I
added tribal Tom's also.
AK

all attached

# CLINTON ADMINISTRATION
## TIMELINE ON WELFARE REFORM AND SUPPORTS FOR WORKING FAMILIES

- WH STATEMENT WHEN 50,000 WTW HOUSING VOUCHERS WERE AWARDED – unable to locate
- RELEASE OF JOINT TRANSP. GUIDANCE - Unable to locate
- HHS NPRM & FINAL CHILD POVERTY RULES - Unable to locate
- PODESTA ANNOUNCEMENT OF $20M WTW FOR CENSUS – Unable to locate
- INTERIM AND FINAL WIA RULES – have final rule only
- 11/~~4~~17/97 WICHITA EVENT, RELEASED INTERIM FINAL RULE, TANF NPRM - Unable to locate
- ALSO INCLUDE INTERAGENCY CONFERENCE ON FATHERHOOD- ~~1995~~ 1996? - Unable to locate
- ADD HHS RELEASE OF NPRM/FINAL RULE for OWB BONUSES – unable to locate
- 9/00 HUD SEC. 8 HOMEOWNERSHIP RULE – unable to locate
- ~~CHK 4/9/98~~ – SEEMS TO BE SAME AS AK SUGGESTED BUT NOT IN S.F. – my mistake – VP event in SF was 3/1/99 – see attached (not w/ these documents)
- RELEASE OF TANF RULE? – Final rule 4/10/99 – Radio address (you have on list)

Add Medical Mkt rule (see attached info)

**2000**

**September 26, 2000**
The White House highlighted the release of the Census Bureau report on income and poverty in America for 1999, showing an unprecedented fifth year of significant income growth – with median household income breaking $40,000 for the first time in history – and continued declines in the poverty rate, which dipped to its lowest level in two decades.

**September 18, 2000**
President Clinton issued a statement to bring attention to his proposed $145 million DOJ/DOL/HHS initiative to provide additional supervision and support to ex-offenders who are reentering the community. He also highlighted a roundtable discussion hosted by the Attorney General and other members of the Administration in Baltimore, MD focused on innovative reentry partnerships, announced Department of Justice Residential Substance Abuse Treatment grants, and called on Congress to fully fund his reentry initiative.

**September 18, 2000**
HHS announced the award of more than $1.1 million in demonstration grants to states for funding innovative projects to promote the objectives of the nation's child support enforcement program – increasing the financial and emotional support of children by their parents.

**September 12, 2000**
The President issued a statement announcing HUD's plan to increase payment levels for Section 8 Housing Choice vouchers. By raising the fair market rent levels in certain difficult housing markets, this action increased the pool of apartments available to low-income renters by more than 1.4 million units nationwide.

**September 7, 2000**
The President issued a statement commending the House of Representatives for passing the Child Support Distribution Act (including child support and responsible fatherhood provisions similar to the President's proposals) with overwhelming bipartisan support.

THE WHITE HOUSE

Office of the Press Secretary
(Aboard Air Force One)

For Immediate Release October 1, 1999

## STATEMENT BY THE PRESIDENT

The Department of Housing and Urban Development yesterday released $280 million in rental assistance vouchers to help 50,000 families in 35 states move from welfare to work. These housing vouchers are an integral part of our efforts to reform welfare, reward work, and provide affordable housing for low-income families. They will help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job.

Today, our economy is strong, incomes are up, and poverty is at the lowest rate in 20 years. But there are still more than 5 million low-income families who need affordable housing. That is why I have asked Congress for an additional 100,000 rental assistance vouchers to meet the critical housing needs of families moving from welfare to work, the homeless and the elderly. As Members of the House and Senate meet in conference to debate this year's budget for the Department of Housing and Urban Development, I want to underscore my strong commitment to this initiative. Congress should not turn its back on families that are playing by the rules and moving from welfare to work. A budget without new vouchers would shortchange the American Dream.

###

Jt. Transp guidance:

(1) letter where POTWS says mw [illegible] happen

(2) original version released 5/98

(3) update released 12/98

(4) update released 5/2000

Each time all 3 agencies sent out to their constituencies + I believe all 3 posted on their web sites.

Sample - Similar letter sent to all Govs; a similar letter also sent to local electeds.

Indicates plan for joint guidance on p 2

THE WHITE HOUSE

WASHINGTON

February 17, 1998

The Honorable Fob James, Jr.
Governor of Alabama
Montgomery, Alabama 36130

Dear Fob:

When I delivered my 1998 State of the Union speech to Congress, I was joined by Elaine Kinslow from Indianapolis, one of the many individual heroes of the welfare revolution. After 13 years on and off welfare, Elaine now works as a transportation dispatcher with a van company. This job is not only helping Elaine create a better life for her family, but it's also helping other welfare recipients travel to and from work. Her company takes patients to doctors appointments and provides rides to former welfare recipients who cannot reach their jobs by public transportation.

Throughout our country -- in rural, urban, and suburban areas -- there is a critical need for transportation to move people physically from welfare to work. As you know, few welfare recipients own cars. In many areas, either there is no mass transit or the transportation available does not provide adequate links to jobs within a reasonable commute time. In addition, many entry-level jobs require work during evenings or weekends, when transportation services are limited.

To support innovative efforts such as the one in Indianapolis, I have proposed a $100-million-a-year welfare-to-work transportation plan as part of my ISTEA reauthorization bill. Funds could be used for both capital and operating expenses, and local transportation and human service systems would be strongly encouraged to collaborate. This competitive grant program will assist states and localities in developing flexible transportation alternatives to help welfare recipients and other low-income workers get to where the jobs are. This plan, if enacted, and the 50,000 new welfare-to-work housing vouchers I've proposed will help welfare recipients move closer to new jobs or obtain stable housing.

Because of the tremendous need for transportation services, I urge you to use existing funds for this purpose wherever possible. Both the Temporary Assistance for Needy Families (TANF) block grant established in the 1996 welfare reform law and the Welfare-to-Work grants created by the Balanced Budget Act of 1997 offer considerable flexibility to provide certain transportation services. For example, TANF funds can be used for families eligible for TANF, and Welfare-to-Work funds can be used for a subset of the welfare population, those long-term recipients with specific employment barriers. To encourage each state and community to take full advantage of current funds, the Secretaries of HHS, Labor, and Transportation will provide you with written guidance by early April.

Together, we've helped reduce the welfare rolls by 4.3 million people over the last five years -- by 2.4 million in the new welfare law's first 13 months. I urge each of you to take the savings from these lower caseloads and use them to help even more people move from welfare to work by investing in transportation, child care, and other critically needed services. I look forward to our continued partnership in this area.

Sincerely,

Bill Clinton

May 4, 1998

Dear Colleague:

As President Clinton said in his 1998 State of the Union address, "A society rooted in responsibility must first promote the value of work, not welfare." In order for families to transition from welfare to work successfully, the Federal Government, States, communities, businesses, and non-profit agencies must work together to create opportunities and remove barriers. Your involvement is crucial to overcoming one of the biggest challenges facing those transitioning from welfare to work: finding reliable, affordable, and efficient transportation to jobs, training, and support services such as child care.

President Clinton recognizes the challenge this poses to job seekers, and has asked us to create new strategies to help them get to where the jobs are. As he has said, "Each and every one of us has to fulfill our responsibility, indeed, our moral obligation, to make sure that people who now must work, *can* work."

In February, the President wrote a letter to the Nation's Governors highlighting the critical role of transportation and urging them to use existing funds for transportation services wherever possible. To encourage each State and community to take full advantage of current resources, the U.S. Departments of Health and Human Services, Labor, and Transportation are working closely together on this issue and are jointly issuing the written guidance enclosed with this letter.

The guidance encourages coordination among transportation, workforce development, and social service providers to ensure the most efficient use of Federal funds. Such partnerships are an excellent way to create new, more effective transportation alternatives and to enable businesses to get the workers they need while stimulating local economies. We know some of you are already engaged in such partnerships and applaud these efforts, many of which are described in a recent publication by the Department of Transportation and the Community Transportation Association of America entitled "Access to Jobs, A Guide to Innovative Practices in Welfare to Work Transportation." This publication is available on the Internet at http://www.ctaa.org/welfare.

We are confident that with adequate attention to, and investment in, transportation and other support services, welfare recipients will have the resources they need to find and keep jobs. We greatly appreciate your help in making welfare reform a success.

Rodney E. Slater
Secretary of Transportation

Donna E. Shalala
Secretary of Health and
Human Services

Alexis M. Herman
Secretary of Labor

Enclosure

# ***USE OF TANF AND WTW FUNDS FOR TRANSPORTATION***

## INTRODUCTION:

Transportation is one of the main challenges facing people making the transition from welfare to work. A mismatch exists between the location of available entry-level and service sector jobs and the residences of most welfare recipients. Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities, with few recipients owning cars. Many entry level jobs require evening or weekend hours in areas that are poorly served by existing transit routes or are not within a reasonable commute time. Many parents going to work also need transportation in order to access child care, which further complicates getting to and from work. The transportation barrier is magnified for low-income Americans living in rural counties, 40 percent of which have no public transportation services.

Historically, the U.S. Departments of Health and Human Services (HHS) and Labor (DOL) have defined transportation in terms of the individual client. As a result, funds were used to directly reimburse clients for transportation rather than to develop and support transportation services necessary to meet their needs. Welfare reform calls for a more systemic approach to break down the transportation barriers. For example, supporting and developing services such as connector services to mass transit, vanpools, sharing buses with elderly and youth programs, coordinating with existing human services transportation resources, employer provided transportation, or guaranteed ride home programs may be necessary to address the transportation problems for welfare recipients and other low income persons.

## PURPOSE OF GUIDANCE:

HHS and DOL, in concert with the U.S. Department of Transportation (DOT), are working closely together to provide joint, coordinated guidance to encourage States and communities to take full advantage of existing resources to address the transportation challenge of moving people from welfare to work and to develop seamless, integrated services. This guidance is intended to augment the current regulatory and statutory provisions.

## AUTHORITY AND REFERENCES:

Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Public L. 104-193) and Balanced Budget Act of 1997 (Public L. 105-33) amending Title IV-A of the Social Security Act; Temporary Assistance for Needy Families Program (TANF) Proposed Rule (62 Fed. Reg. 62124 (proposed Nov. 20, 1997)); TANF Policy Announcement No. TANF-ACF-PA-97-1, dated January 31, 1997; Welfare-to-Work Grants Interim Final Rule, 20 CFR Part 645 (62 Fed. Reg. 61588 (Nov. 18, 1997)).

**RESPONSE TO CHALLENGE:**

It is essential for all Federal, State, and local entities to collaborate to ensure and maintain success in moving families from welfare to work. This collaboration will help to provide the right mix of transportation services necessary to meet the needs of welfare recipients as well as deliver the most efficient use of existing resources and services.

States should encourage local agencies to ensure that services provided to welfare recipients are developed in consultation with other appropriate agencies providing transportation services at the local level. In addition, in consultations with transportation providers to develop solutions to the difficult problems faced by welfare recipients, public agencies should be mindful of their obligations not to interfere with collective bargaining rights or agreements or to displace employees.

**PROMISING INITIATIVES:**

Many States are already working to break down the transportation barriers for welfare recipients. For example, Kentucky has taken a comprehensive approach to providing coordinated transportation. Four cabinet offices -- Families and Children, Health Services, Workforce Development, and Transportation -- combined transportation resources to develop a new coordinated transportation system for all their participants. North Carolina and New Jersey are helping counties to bring together the transportation, social services, and employment programs to address client mobility needs and are identifying underutilized transportation resources -- including school buses -- for employment transportation. In Ventura County California, the local transit agency has extended its hours of service, re-routed some lines, and developed new service to some remote locations being used as work experience sites. These and many other examples are included in *Access To Jobs, A Guide to Innovative Practices in Welfare-to-Work Transportation* developed by DOT and the Community Transportation Association of America. The guide features innovative transportation approaches to meet the needs of welfare recipients and other low income persons, as well as a list of available resources. It is attached and available on the Internet at http://www.ctaa.org/welfare.

**PROPOSED RESOURCES:**

To help meet the tremendous need for transportation services, President Clinton has asked Congress to authorize and appropriate through the Federal transportation program a six-year, $600 million Access to Jobs competitive grant program, to assist States and localities in developing flexible transportation solutions for people moving from welfare to work. Funds could be used for both capital and operating expenses for new services. Local transportation and human service systems will be strongly encouraged to collaborate. Funding would also provide transportation to training and to support services such as child care.

If funded, these resources will also work to ensure that agencies responsible for designing State and local transportation systems -- State DOTs, transit authorities, etc. -- are attending to this important need. These new Federal funds require a dollar for dollar match, and other Federal funds could be used as part of the local match, if not prohibited by specific statute and regulations.

## EXISTING RESOURCES:

Existing funding for welfare reform -- both the Temporary Assistance for Needy Families (TANF) block grants established in the PRWORA of 1996 and the Welfare-to-Work (WtW) grants authorized by the Balanced Budget Act of 1997 -- provides considerable flexibility to help States and communities provide transportation to individuals transitioning from welfare to work. At the same time, these funding streams have certain limitations and leave significant gaps that the Administration hopes to address through programmatic initiatives and proposed legislation.

### 1. The Temporary Assistance for Needy Families (TANF) Program

TANF block grants to States total $16.5 billion annually through FY 2002. In addition, States must maintain their own spending at no less than 80 percent of historic spending levels (or 75 percent if they meet the work participation rates). Guidance about State spending requirements, known as maintenance of effort (MOE), is contained in a January 31, 1997 policy announcement issued by the Office of Family Assistance. (For detailed guidance on this issue, refer to TANF-ACF-PA-97-1 and the Notice of Proposed Rulemaking (NPRM) for TANF.) The policy announcement and the NPRM are available on the Internet at http://www.acf.dhhs.gov/news/welfare/.

State, local, and Tribal TANF agencies, or private organizations providing services under contract with the TANF agency, may use TANF funds for a range of transportation services so long as the expenditure reasonably accomplishes a purpose of the TANF program, such as promoting job preparation and work.

Work and responsibility are the cornerstones of the TANF program. Thus, it is critical that States involve appropriate State and local agencies (transportation, housing, child care), businesses, and community organizations to develop strategies and provide the supportive services that eligible individuals need to attain and maintain employment.

Program Purposes and Choices

The purposes of the TANF program as described in section 401 of the Social Security Act (Act) are as follows:

- provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies;
- encourage the formation and maintenance of two-parent families.

To accomplish these purposes, the State TANF agency may use TANF funds to provide support services including child care and transportation. Some examples of the ways in which TANF funds can be utilized to provide necessary transportation services to TANF eligible families include but are not limited to:

- reimbursement in whole or part to TANF eligible individuals for work-related transportation expenses (e.g., mileage, gas, public transit fare, auto repairs/insurance, or a basic cash allowance for transportation needs);
- a contract for shuttles, buses, car pools, or other transportation services for TANF eligible individuals;
- the purchase of vans/shuttles/minibuses by State or locale for the provision of transportation services to TANF eligible individuals (refer to the discussion below about limitations on the use of TANF funds and cost allocation);
- the purchase of rider "slots," "passes," or vouchers on a public or private transit system;
- financial assistance in the form of loans to eligible individuals for the lease or purchase of a vehicle to travel to/from work or work related activities;
- facilitating the donation and repair of previously owned or reconditioned vehicles to eligible families;
- as an alternative to ongoing assistance, one-time, short-term "diversion" payments can be made to assist individuals with transportation needs such as automobile repair/insurance to secure or maintain employment;
- payment of start up costs for new or expanded transportation services benefitting eligible families provided that such costs are *necessary and reasonable*, as well as allocated to cover only those costs associated with TANF eligible individuals (refer to the discussion below about limitations on the use of TANF funds and cost allocation);
- establishment of an Individual Development Account that a TANF eligible individual could use to cover qualified business capitalization expenses to establish a

transportation service such as a van, shuttle, or door-to-door transportation service (Section 404(h) of the Social Security Act);

- the transfer of TANF funds to the Social Services Block Grant (SSBG) to address the lack of transportation infrastructure in many rural and inner city areas; SSBG may be used to serve families and children up to 200% of the poverty level, allowing States to address the needs of the disadvantaged population with a blend of transportation services;

- payment of costs incurred by State, local, or Tribal TANF agency staff involved singularly or with other agencies in the planning of transportation services for TANF eligible individuals.

State MOE funds under the TANF program or State funds separate from the TANF program that qualify under the MOE requirement may also be used to assist TANF eligible individuals in similar ways.

Many States are also easing restrictions that deter TANF eligible recipients from owning cars. Some States are increasing the excluded value or discounting entirely the value of a motor vehicle in determining TANF eligibility. Such action also promotes job preparation and work.

## Parameters on the Use of TANF Funds

In order to take advantage of resources provided through the TANF block grants, it is necessary to understand three key requirements of the statute related to eligible families, assistance, and time limits.

First, Federal TANF funds, along with State MOE funds, must be spent on eligible families in which the minor child resides with the family (or on individuals who are expecting a child). States define who is eligible for TANF.

Second, funds or services received by eligible families are generally labeled as "assistance." The term "assistance" has been defined in TANF-ACF-PA-97-1 to mean every form of support provided to families under TANF except for: (1) services that have no direct monetary value to an individual family and do not involve implicit or explicit income support; and (2) one-time, short term assistance (e.g., automobile repair to retain employment). Under this definition, a transit pass given to a family each month to cover transportation costs constitutes "assistance." The definition, with slight modification, was included in the Administration for Children and Families' (ACF) proposed TANF rules published in the Federal Register on November 20, 1997. The comment period on the proposed rule closed February 18, 1998. ACF expects to issue a Final Rule by the end of the Federal Fiscal Year 1998.

Third, Federal assistance paid to a family counts toward the lifetime limit on the receipt of TANF benefits. Under the statute, Federal assistance can only be given to a family for a maximum period of 60 months, whether or not consecutive; States can set shorter limits or, provide assistance past the 60 month limit with State funds. This means that each month of assistance issued to a family counts toward the family's time limit. It is important that, when planning a transportation strategy to enable a TANF family to travel to work, States assess the impact of such assistance on the family's time limit and advise the family of this impact.

When planning for transportation services, States should also be aware of certain statutory requirements, restrictions, and cost principles that apply to the use of TANF funds. OMB Circular A-87 describes the principles that apply for determining allowable costs. Generally, OMB Circular A-87 provides that costs must be both "reasonable and necessary." The cost principles of OMB Circular A-87 are designed to ensure the fair and equitable expenditure of both Federal and State funds.

A primary requirement is that TANF funds be used in a manner that reasonably accomplishes the purposes of the TANF program (discussed in the preceding section). In addition, funds from one Federally funded program cannot be used to overcome a shortfall in another Federally funded program. Thus, decisions regarding the use of TANF funds must fulfill one or more purposes of the TANF program, but cannot be used to remedy a deficit in another Federally funded program.

For example, it would be improper to use TANF funds to fund another entity's project(s), or to carry out other responsibilities of a State or local government that benefit the non-TANF public (e.g., extension/expansion of a public transportation system). This limitation is particularly relevant if such expenses are otherwise covered under another specific appropriation or statutory funding mechanism. However, TANF funds may be used for transit projects benefitting eligible families within the purposes of the TANF program (e.g., contracting with a transit company, including a public transit service, to provide additional transportation so that eligible individuals have access to jobs that are clustered in areas where there is little or no transit services). Such an arrangement does not preclude other "non-TANF" individuals from also using the service but TANF funds may not pay for or subsidize use by non-TANF individuals. As non-TANF ridership and fare income increases, the arrangement may become less costly to the TANF program.

The OMB guidelines also provide the requirement and basis for allocating costs that may be associated with more than one Federal program or non-Federal program. For example, the TANF agency may arrange with another agency or program to use the vans or buses of the other agency or to share in the purchase of transportation services. Such costs must be allocated using a methodology that accurately divides the costs in accordance with the relative benefits received by each program.

It is also important to note that TANF funds may not be used to match another Federal grant program unless such double matching is authorized by the statute of the program. State expenditures may not count toward the MOE level if they were spent as a condition of receiving other Federal funds (Section 409(a)(7)(B)(iv)(IV) of the Social Security Act).

Finally, TANF funds may not be used to construct or purchase facilities or buildings. This restriction is based on the general rule, in a long line of Comptroller General decisions, that in the absence of specific legislative authority, appropriated funds may not be used for the permanent improvement of property, including construction and purchase. For example, see the decision at 42 Comp. Gen. 480 (1960).

## 2. Welfare-to-Work Grants

The U.S. Department of Labor provides WtW grants to States and local communities to create additional job opportunities for the hardest-to-employ TANF recipients. The grants total $3 billion for Fiscal Years 1998 and 1999. There are two kinds of grants: Formula Grants to States (75%) and Competitive Grants to local communities (25%). Generally, WtW funds can be used for job readiness activities, employment activities, job placement, post-employment services, and job retention and supportive services -- including transportation assistance -- which are designed to move hard-to-employ welfare recipients into unsubsidized employment. The following outlines some key features of the WtW program:

### Eligible Participants

WtW funds can only be spent on eligible participants. WtW participants are a targeted group of welfare recipients. This group includes those who have received welfare for at least 30 months or are within 12 months of hitting their time limit on receipt of TANF assistance, and who have barriers to employment, specifically defined by statute, related to education, work history, or substance abuse. Certain individuals who appear likely to become long-term recipients are also eligible, as are certain non-custodial parents. Eligibility criteria for the WtW program are described in the Interim Final Rule at 20 CFR 645.212 and 213.

### Formula grants

Seventy-five percent of WtW funds (less small set-asides for specific statutory purposes) are available to States in amounts based on the statutory formula set forth in Section 403(a)(5)(A)(v) of the Social Security Act. States must provide one dollar of non-Federal matching funds for every two dollars of Federal WtW funds. States are required to pass through at least 85 percent of the money to local Private Industry Councils (PICs) (unless the Secretary of Labor approves a waiver to permit an alternate entity to administer funds in a particular area) and may retain up to 15 percent of the funds for Welfare-to-Work projects that focus on helping long-term welfare recipients enter unsubsidized employment. As part of their WtW Formula Grant Plan, States are required to describe strategies to promote and encourage coordination with the State Department of Transportation, Metropolitan Planning Organizations, transit operators and other transportation providers at the State and local levels. The portion of funds contributed to these efforts by non-Federal funding sources that go toward the service of WtW eligible individuals may be counted toward the State WtW match requirement.

Competitive grants

The remaining 25 percent of funds will be available through competitive grants to local communities as described at Section 403(a)(5)(B) of the Social Security Act. The Department of Labor will award WtW competitive grants directly to political subdivisions (cities and counties) and PICs, as well as to private entities (such as community development corporations and community-based organizations, community action agencies, and other public and private organizations) which apply in conjunction with a PIC or political subdivision. The Secretary of Labor will give special consideration to rural areas and cities with large concentrations of poverty. For the purposes of the competitive grants only, a public transit system may apply for a competitive grant as a private entity in conjunction with the local PIC or political subdivision (cities and counties). As part of their competitive grant proposal, applicants are asked to describe the coordination and contributions of local housing and transportation authorities, in addition to other organizations. Competitive grant solicitation for grant applications will be available through the WtW Internet at http://wtw.doleta.gov.

Program Choices and Parameters

Because the WtW grants are part of the same subtitle of the Social Security Act as TANF, the broad purposes of the WtW program are the same as those outlined above for TANF. The Welfare-to-Work program is, however, more narrowly targeted to specifically provide transitional employment assistance to "move individuals into and keep individuals in lasting unsubsidized employment" by means of the six allowable activities listed in the statute (Section 403(a)(5)(C)(i) of the Social Security Act).

With a few exceptions, the allowable activities under WtW are similar to the activities permitted under TANF, and all of the requirements discussed above, including OMB Circular A-87, apply to the WtW Grants program. The exceptions, with regard to transportation services, are:

- WtW funds can be used only for transportation services that are not otherwise available to the participant (refer to Section 403(a)(5)(C)(i)(VI) of the Social Security Act and 20 CFR 645.220(e));

- WtW funds can only be spent on transportation services for individuals participating in an allowable WtW employment activity;

- In addition to the general prohibitions on double match described above, the Social Security Act specifically prohibits the use of WtW grant funds, and State WtW matching funds, to fulfill match requirements under TANF or any other Federal law (Section 403(a)(5)(C)(vi) of the Social Security Act).

- Under WtW, up to 50% of matching funds may be in the form of third-party in-kind contributions.

PICs are expected to coordinate local community resources to provide transitional employment assistance (particularly supportive services such as child care and transportation) to the WtW eligible population. Local communities have considerable flexibility in how they use the WtW funds, but the Department of Labor encourages States to facilitate collaboration with local transportation organizations to help WtW participants reach their new job opportunities. States should also encourage local WtW service providers to work with transportation providers to develop employment opportunities for welfare recipients in transportation services, including appropriate self-employment opportunities.

## 3. Other Resources

In addition to TANF and WtW, a variety of other Federal, State, and local programs or services can assist in providing transportation services to low-income families. Under such programs as Medicaid and the Job Training Partnership Act, the provision of transportation is allowable as a supportive service. Other ideas can be found in *Access To Jobs, A Guide to Innovative Practices in Welfare-to-Work Transportation*. States should encourage local agencies to utilize all available transportation services in their area to facilitate access to good jobs for low income Americans.itive grants only, a public transit system may apply for a competitive grant as a private entity in conjunction with the local PIC or political subdivision (cities and counties). As part of their competitive grant proposal, applicants are asked to describe the coordination and contributions of local housing and transportation authorities, in addition to other organizations. Competitive grant solicitation for grant applications will be available through the WtW Internet at http://wtw.doleta.gov.

Attachment

| | |
|---|---|
| **Temporary Assistance for Needy Families**<br><br>**Policy Announcement** | U.S. Department of Health and Human Services<br>Administration for Children and Families<br>Office of Family Assistance m<br>Washington, DC 20447 |
| No. TANF-ACF-PA-98-5 | Date: December 23, 1998 |

TO: STATE AGENCIES AND INDIAN TRIBES ADMINISTERING APPROVED TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PLANS AND OTHER INTERESTED PARTIES.

SUBJECT: Updated joint guidance regarding the ways in which TANF, Welfare-to-Work (WtW), and Job Access funds can be used to help States and communities provide transportation services to eligible individuals.

BACKGROUND: Public Law 105-178, the Transportation Equity Act for the 21st century (TEA-21) was enacted on June 9, 1998. Section 3037 of TEA-21 created the Job Access and Reverse Commute grant program which provided competitive grants to assist States and localities in developing flexible transportation services to connect welfare recipients and other low income persons to jobs and other employment-related services.

PURPOSE: This joint transportation guidance replaces the original guidance issued via TANF-ACF-PA-98-2, dated April 24, 1998. This guidance adds information regarding the Job Access and Reverse Commute grant program. This grant program includes a cost sharing requirement. Because TANF and WtW funds may be used to meet the cost sharing requirement, this guidance also discusses the particular limitations and programmatic rules that must be considered when TANF and WtW funds are used in the grant program. The guidance also clarifies other policy issues that have come to our attention in the areas of the definition of "assistance," data reporting and appropriate cost principles.

INQUIRIES: Inquiries about TANF should be addressed to the appropriate Administration for Children and Families (ACF) Regional Administrator. Information regarding WtW or the Job Access and Reverse Commute grant program should be addressed to the Federal Regional Office contacts for DOL and DOT, respectively.

/s/
Alvin C. Collins
Director
Office of Family Assistance

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## USE OF TANF, WtW, AND JOB ACCESS FUNDS

## FOR TRANSPORTATION

**INTRODUCTION:**

Transportation is one of the main challenges facing people making the transition from welfare to work. In some areas, there is a mismatch between where most entry-level and service sector jobs are located and where most welfare recipients live. Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities, with few recipients owning reliable cars. Many entry level jobs require evening or weekend hours in areas that are poorly served by existing transit routes or are not within a reasonable commute time. Many parents going to work also need transportation in order to access childcare, which further complicates their work commute. The transportation barrier is magnified for low-income Americans living in rural counties, many of whom have no access to public transportation services.

Historically, the U.S. Departments of Health and Human Services (HHS) and Labor (DOL) have defined transportation in terms of the individual client. As a result, funds were used to directly reimburse clients for transportation costs rather than to develop and support transportation services necessary to meet their needs. When transportation services were provided, they were often not connected with the existing transportation systems. Welfare reform calls for a more systemic approach to break down the transportation barriers. For example, supporting and developing services such as connector services to mass transit, vanpools, sharing buses with elderly and youth programs, coordinating with existing human services transportation resources, employer provided transportation, or guaranteed ride home programs may be necessary to address the transportation problems for welfare recipients and other low income persons.

**PURPOSE OF GUIDANCE:**

HHS and DOL, in concert with the U.S. Department of Transportation (DOT), are working closely together in providing coordinated guidance to encourage States and communities to take full advantage of existing resources to develop seamless, integrated services addressing the transportation challenge of moving people from welfare to work. This guidance is intended to augment the current regulatory and statutory provisions.

The three agencies originally issued joint guidance on May 4, 1998. The guidance is now being reissued and revised to incorporate legislative changes since the initial issuance and to clarify issues that have come to our attention in the areas of the definition of "assistance" under TANF, data reporting, and appropriate cost principles.

**AUTHORITY AND REFERENCES:**

Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Pub. L. 104-193) and Balanced Budget Act of 1997 (Pub. L. 105-33) amending Title IV-A of the Social Security Act; Transportation Equity Act for the 21st century (TEA-21) (Pub. L. 105-178), TEA-21 Restoration Act (Pub. L 105-206), Child Support Performance and Incentive Act of 1998 (Pub. L. 105-200); Temporary Assistance for Needy Families Program (TANF) Proposed Rule (62 Fed. Reg. 62124 (proposed Nov. 20, 1997)); Welfare-to-Work Grants Interim Final Rule, 20 CFR Part 645 (62 Fed. Reg. 61588 (Nov. 18, 1997)); Job Access and Reverse Commute Competitive Grants Notice (63 Fed. Reg. 60168 (Nov. 6, 1998)); TANF Policy Announcement No. TANF-ACF-PA-97-1, dated January 31, 1997

**RESPONSE TO CHALLENGE:**

It is essential for all Federal, State, and local entities to collaborate to ensure and maintain success in moving families from welfare to work. This collaboration will help to provide the right mix of transportation services necessary to meet the needs of welfare recipients as well as deliver the most efficient use of existing resources and services.

States should encourage local agencies to ensure that services provided to welfare recipients are developed in consultation with other appropriate agencies providing transportation services at the local level. In addition, in consultations with transportation providers to develop solutions to the challenges faced by welfare recipients, public agencies should be mindful of their obligations not to interfere with collective bargaining rights or agreements or to displace employees.

Communities without transportation resources or with a significant unmet need may wish to pursue transportation as a job creation opportunity. The skills involved in developing transportation systems, including driving, dispatching, and providing vehicle maintenance are extremely marketable and transferable skills.

**PROMISING INITIATIVES:**

Many States are already working to break down the transportation barriers for welfare recipients. For example, Kentucky has taken a comprehensive approach to providing coordinated transportation. Four cabinet offices -- Families and Children, Health Services, Workforce Development, and Transportation -- combined transportation resources to develop a new coordinated transportation system for all their participants. North Carolina and New Jersey are helping counties to bring together the transportation, social services, and employment programs to address client mobility needs and are identifying underutilized transportation resources -- including school buses -- for employment transportation. In Ventura County California, the local transit agency has extended its hours of service, re-routed some lines, and developed new service to some remote locations being used as work experience sites. These and many other examples are included in *Access To Jobs, A Guide to Innovative Practices in Welfare-to-Work Transportation* developed by DOT and the Community Transportation Association of America. The guide features innovative transportation approaches to meet the needs of welfare recipients and other low income persons, as well as a list of available resources. It is available on the Internet at http://ctaa.org/ntrc/atj/pubs/.

**EXISTING RESOURCES:**

In this section, we present three specific Federal funding sources that can be used to address the transportation needs of people moving from welfare to work: (1) the Temporary Assistance for Needy Families (TANF) block grant program administered by HHS, Administration for Children and Families (ACF); (2) the Welfare-to-Work (WtW) formula and competitive grant program administered by DOL, Employment and Training Administration; and (3) the Job Access and Reverse Commute grant program (Job Access) administered by DOT, Federal Transit Administration (FTA).

Both the TANF block grants established in PRWORA and the WtW grants authorized by the Balanced Budget Act of 1997 provide considerable flexibility to help States and communities provide transportation to individuals transitioning from welfare to work. We describe some of the ways in which States may use Federal TANF funds and WtW funds to provide transportation services. We also discuss some basic programmatic requirements and limitations regarding the use of TANF and WtW grant funds. States and other appropriate agencies providing transportation services need to be mindful of the requirements and limitations when planning transportation services that enable eligible individuals to attain and maintain employment.

The Job Access program provides funding for projects that develop transportation services to connect welfare recipients and other low income individuals to jobs and other employment-related services. This competitive grant program includes a cost sharing requirement. Because TANF and WtW funds may be used to meet the cost sharing requirement, we discuss the particular rules that must be considered when TANF or WtW funds are used in a cost sharing arrangement in the Job Access program. We also mention some other basic principles and standards for determining allowable costs pursuant to OMB Circular A-87. These cost principles apply to the use of TANF, WtW, and Job Access funds.

We conclude by discussing other resources, not specifically addressed in this guidance, which could be used to fund transportation services for low-income families.

**1. The Temporary Assistance for Needy Families (TANF) Program**

TANF block grants to States total $16.5 billion annually through FY 2002. In addition, States must maintain their own spending at 80 percent of historic spending levels (or 75 percent if they meet the work participation rates). Guidance about State spending requirements, known as maintenance-of-effort (MOE), is contained in a January 31, 1997 policy announcement issued by the Office of Family Assistance. (For detailed guidance on this issue, refer to TANF-ACF-PA-97-1 and the Notice of Proposed Rulemaking (NPRM) for TANF.) The policy announcement and the NPRM are available on the Internet at http://www.acf.dhhs.gov/news/welfare/ . This guidance is subject to revision when HHS issues a final rule for TANF, which will replace the policy announcement and the NPRM.

State, local, and tribal TANF agencies, or private organizations providing services under contract with the TANF agency, may use TANF funds for a range of transportation services so long as the expenditure reasonably accomplishes a purpose of the TANF program, such as promoting job preparation and work. Work and responsibility are the cornerstones of the TANF program. Thus, it is critical that States involve appropriate State and local agencies (transportation, housing, childcare), businesses, and community organizations to develop strategies and provide the supportive services that eligible individuals need to attain and maintain employment.

Program Purposes and Choices

The purposes of the TANF program as described in section 401 of the Social Security Act are as follows:

- provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encourage the formation and maintenance of two-parent families.

To accomplish these purposes, the State TANF agency may use TANF funds to provide support services including childcare and transportation. Some examples of the ways in which TANF funds can be utilized to provide necessary transportation services directly to TANF-eligible families or to fund services primarily benefiting eligible families, include, but are not limited to:

- reimbursement in whole or part to TANF-eligible individuals for work-related transportation expenses (e.g., mileage, gas, public transit fare, auto repairs/insurance, or a basic cash allowance for transportation needs);

- a contract for shuttles, buses, car pools, or other transportation services for TANF-eligible individuals;
- the purchase of vans/shuttles/minibuses by State or locale for the provision of transportation services to TANF-eligible individuals (refer to the discussion below about the parameters on the use of TANF funds and cost allocation);
- the purchase of rider "slots," "passes," or vouchers on a public or private transit system;
- financial assistance in the form of loans to eligible individuals for the lease or purchase of a vehicle to travel to/from work or work-related activities;
- facilitating the donation and repair of previously owned or reconditioned vehicles to eligible families;
- as an alternative to ongoing assistance, one-time, short-term "diversion" payments can be made to assist individuals with transportation needs such as automobile repair/insurance to secure or maintain employment;
- payment of start up or operating costs for new or expanded transportation services benefiting eligible families provided that such costs are *necessary and reasonable*, as well as allocated to cover only those costs associated with TANF-eligible individuals (refer to the discussion below about the parameters on the use of TANF funds and cost allocation);
- establishment of an Individual Development Account that a TANF-eligible individual could use to cover qualified business capitalization expenses to establish a transportation service such as a van, shuttle, or door-to-door transportation service (Section 404(h) of the Social Security Act);
- the transfer of TANF funds to the Social Services Block Grant (SSBG) to address the lack of transportation infrastructure in many rural and inner city areas; SSBG may be used to serve families and children up to 200 percent of the poverty level, allowing States to address the needs of the disadvantaged population with a blend of transportation services;
- payment of costs incurred by State, local, or tribal TANF agency staff involved singularly or with other agencies in the planning of transportation services for TANF-eligible individuals. These costs would be considered TANF administrative costs.

State MOE funds under the TANF program, or State funds separate from the TANF program that qualify under the MOE requirement, may also be used to assist TANF-eligible individuals in similar ways.

Many States are also easing restrictions that deter TANF-eligible recipients from owning cars. Some States are increasing the excluded value or discounting entirely the value of a motor vehicle in determining TANF eligibility. Such actions also promote access to job preparation and work.

## Parameters on the Use of TANF Funds

In order to take advantage of resources provided through the TANF block grants, it is necessary to understand several key requirements of the statute related to eligible families, assistance, and time limits. First, Federal TANF funds, along with State MOE funds, must be spent on members of eligible TANF families in which the minor child resides with the family (or on individuals who are expecting a child). States define who is eligible for TANF.

Second, funds or services received by eligible families are generally labeled as "assistance." The term "assistance" has been defined in TANF-ACF-PA-97-1 to mean every form of support provided to families under TANF except for: (1) services that have no direct monetary value to an individual family and do not involve implicit or explicit income support; and (2) one-time, short term assistance (e.g., automobile repair to retain employment). The definition, with slight modification, was included in the ACF-proposed TANF rules published in the Federal Register on November 20, 1997. The comment period on the proposed rule closed February 18, 1998. ACF will issue a Final Rule with further guidance.

Under the current definition, transportation costs are differentiated into (1) items that have a direct monetary value to an individual family, such as a transit pass, which thus constitute "assistance," and (2) those items which do not have a direct monetary value to an individual family and do not involve implicit or explicit income support, such as investment in the start-up or operating costs of a transportation service, which do not constitute "assistance." If, for example, a TANF agency uses TANF funds to contract with a transportation provider for transportation services to and from places of employment, and the State pays the fare cost for the TANF family member, then only the value of the fare that the recipient would otherwise have to pay is "assistance." Similarly, TANF funds used for such activities as planning transportation services or providing "brokerage" services (e.g., to manage the mobility needs of TANF recipients through a central coordination of local transportation programs) do not constitute "assistance" to the family.

State TANF agencies must also collect certain data on a monthly basis about families receiving TANF "assistance" and report that data on a quarterly basis. The data includes information regarding each type of assistance provided to family members under the State's TANF program, including transportation assistance. Until ACF issues a Final Rule, States report the information on form ACF-198, Emergency TANF Data Report.

Third, Federal TANF assistance paid to a family counts toward the lifetime limit on the receipt of TANF benefits.[1] Under the statute, Federal assistance can only be given to a family for a maximum period of 60 months, whether or not consecutive. However, the 60-month limit only applies when the adult or minor family member is the head of the household or the spouse of the head of the household and receiving assistance.[2] The minor must also be pregnant or a parent for the assistance to count toward the Federal time limit. This means that each month of Federal assistance received by these family members impacts the family's lifetime limit on the receipt of TANF benefits. States can set shorter limits or provide assistance past the 60-month limit with State funds. It is important that, when planning a transportation strategy to enable a TANF family member to travel to work, States assess the impact of such assistance on the family's time limit and advise the family of this impact.

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[1] *WtW cash assistance received by a WtW participant who is a member of the TANF family also counts toward the Federal 60-month limit.*

[2] *There is an exception to the federal 60-month limit if a TANF funded transportation benefit under the Job Access program is the only assistance these family members receive in a given month. Refer to the discussion under the Job Access and Reverse Commute Grant program in item 3.*

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In order to maximize resources and avoid duplication, TANF agencies are encouraged to coordinate with other transportation services. For example, the TANF agency may arrange with another agency or program to use the vans or buses of the other agency, share in the purchase of transportation services, or share in the costs of a Job Access project. TANF funds may also be used to contract for transit projects open to the general public, so long as the project benefits TANF families, is within the purposes of the TANF program, and TANF funds do not pay for non-TANF individuals. To the extent that non-TANF ridership and fare income increase, the arrangement may become less costly to the TANF program.

OMB Circular A-87 provides the requirement and basis for allocating costs that may be associated with more than one Federal program or non-Federal program. Refer to the Cost Principles section (item 4) for a fuller discussion of the cost allocation principles as well as other important cost principles pursuant to OMB Circular A-87.

It is also important to remember that TANF funds may not be used to match another Federal grant program unless such double matching is specifically authorized by the statute of the program (See Section 3 ahead for a more detailed discussion on how TANF funds may and may not be used as match for Job Access and Reverse Commute projects). Also, State expenditures may not count toward the MOE level if they were spent as a condition of receiving other Federal funds (Section 409(a)(7)(B)(iv)(IV) of the Social Security Act).

Finally, TANF funds may not be used to construct or purchase facilities or buildings.[3] This restriction is based on the general rule that, in the absence of specific legislative authority, appropriated funds may not be used for the permanent improvement of property, including construction and purchase. For example, see the decision at 42 Comp. Gen. 480 (1960).

**2. Welfare-to-Work Grants**

The U.S. Department of Labor provides WtW grants to States and local communities to create additional job opportunities for the hardest-to-employ TANF recipients. The grants total $3 billion for Fiscal Years 1998 and 1999. There are two kinds of grants: Formula Grants to States and Competitive Grants to local communities. Generally, WtW funds can be used for job readiness activities, employment activities, job placement, post-employment services, and job retention and supportive services -- including transportation assistance -- which are designed to move hard-to-employ welfare recipients into unsubsidized employment. The following outlines some key features of the WtW program:

Eligible Participants

WtW funds can only be spent on eligible participants. WtW participants are a targeted group of welfare recipients. This group includes those who have received welfare for at least 30 months or are within 12 months of hitting their time limit on receipt of TANF assistance, and who have barriers to employment, specifically defined by statute, related to education, work history, or substance abuse. Certain individuals who appear likely to become long-term recipients are also eligible, as are certain non-custodial parents. Eligibility criteria for the WtW program are described in the Interim Final Rule at 20 CFR 645.212 and 213.

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[3] *Section 404(k)(1)(A) of the Social Security Act expressly prohibits TANF funds from being used for construction in the Job Access and Reverse Commute program (discussed in item 3 ahead).*

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Formula Grants

Seventy-five percent of WtW funds (less small set-asides for specific statutory purposes) are available to States in amounts based on the statutory formula set forth in Section 403(a)(5)(A)(v) of the Social Security Act. States must provide one dollar of non-Federal matching funds for every two dollars of Federal WtW funds. States are required to pass through at least 85 percent of the money to local Private Industry Councils (PICs) (unless the Secretary of Labor approves a waiver to permit an alternate entity to administer funds in a particular area) and may retain up to 15 percent of the funds for Welfare-to-Work projects that focus on helping long-term welfare recipients enter unsubsidized employment. As part of their WtW Formula Grant Plan, States are required to describe strategies to promote and encourage coordination with the State Department of Transportation, Metropolitan Planning Organizations, transit operators and other transportation providers at the State and local levels. The portion of funds contributed to these efforts by non-Federal funding sources that go toward the service of WtW eligible individuals may be counted toward the State WtW match requirement.

## Competitive grants

The remaining 25 percent of funds is available through competitive grants to local communities as described at Section 403(a)(5)(B) of the Social Security Act. The Department of Labor will award WtW competitive grants directly to political subdivisions (cities and counties) and PICs, as well as to private entities (such as community development corporations and community-based organizations, community action agencies, and other public and private organizations) which apply in conjunction with a PIC or political subdivision. The Secretary of Labor will give special consideration to rural areas and cities with large concentrations of poverty. For the purposes of the competitive grants only, a public transit system may apply for a competitive grant as a private entity in conjunction with the local PIC or political subdivision. As part of their competitive grant proposal, applicants are asked to describe the coordination and contributions of local housing and transportation authorities, in addition to other organizations. Information on the competitive grants already awarded is available, and future solicitations for grant applications will be available, at the WtW Internet site at http://wtw.doleta.gov.

## Program Choices and Parameters

Because the WtW grants are part of the same subtitle of the Social Security Act as TANF, the broad purposes of the WtW program are the same as those outlined above for TANF. The Welfare-to-Work program is, however, more narrowly targeted to specifically provide transitional employment assistance to "move individuals into and keep individuals in lasting unsubsidized employment" by means of the six allowable activities listed in the statute (Section 403(a)(5)(C)(i) of the Social Security Act).

With a few exceptions, the allowable activities under WtW are similar to the activities permitted under TANF, and the same requirements discussed above apply to the WtW Grants program. These requirements include the cost principles set forth in OMB Circular A-87, as well as OMB Circular A-21, which applies to educational institutions; OMB Circular A-122, for non-profit organizations; 48 CFR Part 31 for commercial profit-making organizations; and 45 CFR Part 74 for hospitals, when applicable for competitive grants. The exceptions, with regard to transportation services, are:

- WtW funds can be used only for transportation services that are not otherwise available to the participant (refer to Section 403(a)(5)(C)(i)(VI) of the Social Security Act and 20 CFR 645.220(e));

- WtW funds can only be spent on transportation services for individuals participating in an allowable WtW activity.

- In addition to the general prohibitions on double match described above, the Social Security Act specifically prohibits the use of WtW grant funds, and State WtW matching funds, to fulfill match requirements under TANF or any other Federal law (Section 403(a)(5)(C)(vi) of the Social Security Act), except as provided in section 3037(h)(2)(B) of the Transportation Equity Act for the 21st Century (TEA-21) as amended by section 9009(w) (4) of the TEA-21 Restoration Act.

- Under WtW, up to 50% of matching funds may be in the form of third-party in-kind contributions.

- Financial assistance, including loans or down payments, to eligible individuals for the lease or purchase of a vehicle to travel to/from work or work-related activities is not allowable under WtW.

PICs are expected to coordinate local community resources to provide transitional employment assistance (particularly supportive services such as childcare and transportation) to the WtW eligible population. Local communities have considerable flexibility in how they use the WtW funds, but the Department of Labor encourages States to facilitate collaboration with local transportation organizations to help WtW participants reach their new job opportunities. States should also encourage local WtW service providers to work with transportation providers to develop employment opportunities for welfare recipients in transportation services, including appropriate self-employment opportunities.

**3. Job Access and Reverse Commute Grant Program**

On June 9, 1998, President Clinton signed Public Law 105-178, the Transportation Equity Act for the 21st century (TEA-21). Section 3037 of TEA-21 created the Job Access and Reverse Commute grant program. Funding is authorized at $150 million per year for FY 1999-2003, of which guaranteed funding starts at $50 million in FY 1999 and increases by $25 million each fiscal year. A total of $75 million is appropriated for FY 1999.

The Job Access and Reverse Commute grant program assists States and localities in developing flexible transportation services that connect welfare recipients and other low income persons to jobs and other employment related services. Job Access projects are targeted at developing new or expanded transportation services such as shuttles, vanpools, new bus routes, connector services to mass transit, employer provided transportation, and guaranteed ride home programs for welfare recipients and low income persons. Reverse Commute projects provide transportation services to suburban employment centers from urban, rural and other suburban locations for all populations. Up to $10 million of the annual funds may be used for Reverse Commute projects, with the remainder available for Job Access projects.

States, local governments, metropolitan planning and public transit agencies, tribal organizations, and non-profit organizations may apply for the competitive grants. Additional information on this grant program, including the solicitation for grant applications, can be found at the DOT web site at http://www.fta.dot.gov/wtw/.

The Job Access and Reverse Commute grant program is intended to establish a collaborative regional approach to job access challenges. All projects funded under this program must be the result of a collaborative planning process that includes transportation providers, agencies administering TANF and WtW funds, human services agencies, employers, metropolitan planning organizations, States, and affected communities and individuals. In addition, the program is expected to leverage other local funds that are eligible to be expended for transportation and encourage a coordinated approach to transportation services.

The Job Access and Reverse Commute grant program has a cost sharing requirement. Grant funds awarded for a project may not exceed 50 percent of the project's total cost. However, section 3037(h)(2)(A)(ii) of TEA-21 as amended expressly allows funds from Federal programs (other than DOT) that may be expended for transportation activities to be used to help meet the local share of the cost. For example, in addition to local resources, Federal funds that may be used in cost sharing arrangements include the HOPE VI grants and other programs administered by the U.S. Department of Housing and Urban Development; Social Services Block Grants and TANF funds administered by HHS; and WtW grant funds administered by DOL.

The recipient of a Job Access or Reverse Commute grant needs to work with all parties sharing in the costs of the project to determine the allowable costs. This is particularly important whenever more than one Federal program expends funds toward the cost of Job Access or Reverse Commute projects.

Certain statutory limitations apply to TANF funds used in a cost sharing arrangement in the Job

Access program. These limitations are found in section 403 of the Child Support Performance and Incentive Act of 1998, which added section 404(k) to the Social Security Act.

First, there are limits on how TANF funds may be used. These include:

- TANF funds must be used for new or expanded transportation services -- not for construction and not to subsidize current operating costs.
- TANF funds must supplement not supplant other State expenditures on transportation.
- The preponderance of the benefits derived from using TANF funds must accrue to current and former TANF recipients, noncustodial parents described in section 403(a)(5)(C)(ii)(II)(aa) or (bb) of the Social Security Act; and low-income individuals who are at risk of qualifying for TANF assistance.
- The transportation services provided with the help of TANF funds must promote the ability of the TANF recipients to engage in work activities (as defined in section 407(d) of the Social Security Act).

Similar restrictions may also apply to WtW.

Second, it is important to note that any Federal TANF funds expended for Job Access or Reverse Commute transportation projects do not constitute a transfer of funds to the Job Access and Reverse Commute grant program. Therefore, all applicable program requirements apply. For example, we previously mentioned (under the discussion of the TANF program) that funds or services received by eligible families are generally defined as "assistance." Various TANF programmatic requirements apply to families who receive federally funded TANF "assistance" (e.g., the Federal 60-month lifetime limit for the receipt of "assistance;" data reporting requirements). [4]

However, section 404(k)(3) of the Social Security Act as amended allows one important programmatic exception to TANF-funded transportation "assistance" provided to TANF recipients through a Job Access or Reverse Commute project where TANF funds are used as a match for such a project (e.g., rides on a new shuttle service to and from work provided through a Job Access project). If the transportation benefit is the only form of assistance provided to the individual for a month, then it is not considered "assistance" for purposes of applicable TANF programmatic requirements. For example, if the adult receiving the transportation benefit for a month is the head-of-household or the spouse of the head-of-household, and this is the only "assistance" the individual received for that month, then the month does not count toward the family's 60-month time limit.

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[4] *See "parameters on the use of TANF funds," under item 1, the TANF program.*

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Finally, there is a limit on the amount of TANF funds that may be used in a cost sharing arrangement in the Job Access Program. The total amount of TANF funds that a State may use as match for the Job Access and Reverse Commute program during a fiscal year is computed as the difference between 30 percent of the State's TANF grant amount and the amount that a State transfers to the Child Care Development Block Grant and the Social Services Block grant programs for the fiscal year.

### 4. Cost Principles

When planning for transportation services, States should refer to OMB Circular A-87 for guidance with respect to cost principles. OMB Circular A-87 describes the principles and standards for determining allowable costs incurred by State, local, and federally-recognized Indian tribal governments with respect to most Federal awards. The cost principles in OMB Circular A-87 are designed to ensure the fair and equitable expenditure of both Federal and State funds. OMB Circular A-87 is available through the Internet at http://www.whitehouse.gov/WH/EOP/OMB/html/circular.html.

The principles generally require that a Federal award must be used in compliance with all applicable Federal statutory and regulatory provisions; costs charged to a Federal award must be reasonable and necessary for operating the program; and the Federal award must not be used for general expenses required to carry out other responsibilities of a State or its subrecipients. In addition, funds from one federally-funded program cannot be used to overcome a shortfall in another federally-funded program. Thus for example, TANF funds cannot be used to remedy a deficit in another federally-funded program. This prohibition does not prevent State and local governments from shifting costs that are allowable under two or more Federal funding sources as long as those shifts are in accordance with existing program agreements.

Generally, allowable costs are classified as either direct or indirect. A cost is one or the other; it cannot be both. Refer to OMB Circular A-87, Section E for examples of direct costs. Indirect costs can include common costs, such as some administrative costs, incurred by more than one State or local agency for a joint purpose. When State agencies or other entities use funds from multiple Federal awards (e.g., TANF, WtW, and Job Access) to pay for the cost of a project, the allowable direct costs need to be determined and a fair share of these costs assigned to each program. Once direct costs have been determined, then the indirect costs are those remaining. Indirect costs must be allocated to each program using a procedure that accurately divides the allowable indirect costs in accordance with the benefits received by each of the programs administering the Federal awards. The procedures used to identify, measure and allocate indirect costs must be included in each agency or operating agency's cost allocation plan. TANF and WtW funds used to pay indirect costs would be included in the State's public assistance cost allocation plan submitted to and approved by the appropriate HHS Regional Office, Division of Cost Allocation. HHS has published requirements for the preparation, submission, and approval of State agency cost allocation plans for public assistance programs in Subpart E of 45 CFR Part 95.

Any TANF funds expended for a Job Access or Reverse Commute project must be used for TANF families in project(s) that reasonably accomplish a purpose of the TANF program.[5] Accordingly, the State agency would need to arrive at a reasonable estimate of the number of TANF families benefiting from the project, as any TANF funds used in a project (to meet a fair share of the direct costs and allocated indirect costs) would be based on this estimate. For example, "ridership," is a reasonable way to estimate the TANF families who would benefit from initiating a shuttle service along certain routes. After the start-up period, the estimate would have to be re-evaluated at least annually, and prospectively adjusted as needed. States may use sampling to arrive at a new estimate. Any TANF funds used in a project after the start-up period (if applicable) must be based on a current estimate.

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[5] *Thus, it is more likely that TANF funds may be used in a Job Access project than a Reverse Commute project. This is further demonstrated by the limits placed on the use of TANF funds as a result of the Child Support Performance and Incentive Act of 1998, discussed earlier.*

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Any WtW funds used in a Job Access or Reverse Commute project must be expended on allowable WtW activities for eligible WtW participants. The WtW entity would also need to arrive at a reasonable estimate of the number of WtW clients benefiting from the transportation project, as any WtW funds used in the project (to meet a fair share of the direct costs and allocated indirect costs) would be based on this estimate.

Example:

A Job Access project involves extending a bus line approximately two miles and expanding hours of service past 12:00 A.M. in order to service an industrial park. Employers at the industrial park agreed to provide jobs to low income individuals. The TANF agency and a local PIC agree to use Federal funds to match Job Access funds for this project. The new service will also be provided to the public i.e., it will include individuals not eligible for benefits under Job Access, TANF, or WtW.

This activity is reasonably calculated to meet a purpose of the TANF program. Therefore, TANF funds may be used to help pay for the costs of the project. However, in order to determine the amount of TANF funds to contribute to the project, the TANF agency needs to arrive at a reasonable estimate of the number of individuals from TANF families who will use the extended bus service. This estimate must be re-evaluated at least annually and adjusted prospectively because any future TANF funds used in the project must be based on a current estimate.

Then, following the cost principles articulated in OMB Circular A-87, the transit provider, TANF and WtW agencies will need to identify the direct and indirect costs of this project. A fair share of direct costs are assigned to each of the three parties putting money into the project (the recipient of the Job Access DOT grant funds, TANF agency, and PIC). The indirect costs must be allocated to each program using a procedure that accurately divides the allowable indirect costs in accordance with the benefits received by each party. The indirect costs and the method used to arrive at each party's share would be included in the cost allocation plan.

Thus, States may expend Federal TANF and WtW grant funds to share in a portion of the cost of project(s). This means that the prohibition in section 403(a)(5)(C)(vi) of the Social Security Act against using Federal WtW grant funds or State WtW matching funds to fulfill match requirement under other Federal programs does not apply to WtW funds used for transportation services in Job Access or Reverse Commute projects.[6] However, the prohibition under section 409(a)(7)(B)(iv)(IV) of the Social Security Act does apply. As a result, any State funds expended to meet the Job Access and Reverse Commute grant program cost sharing requirement do not count toward the State's TANF MOE requirement.

**5. Other Resources Available for Transportation**

Although this guidance specifically identifies the opportunities to address transportation needs through TANF, WtW, and the Job Access funding, States should consider coordinating a broader range of resources to maximize the availability of transportation for those moving from welfare to work. A recent study (Building Mobility Partnerships, Community Transportation Association of America) identified 90 programs across 11 Federal departments and six independent Federal agencies which can be used to support community transportation efforts in planning, capital purchase and operating services. There are additional resources through State-specific and local funding sources as well. These resources, appropriately coordinated, can result in significant transportation resources to enhance existing services or create new ones.

Transportation is an allowable support service under programs such as Social Services Block Grants, Community Services Block Grants, Medicaid, the Job Training Partnership Act, and title I of the Workforce Investment Act which not only replaces the Job Training Partnership Act but also establishes one stop delivery systems that include many of the other federally funded programs in the local area. Other ideas can be found in *Access To Jobs, A Guide to Innovative Practices in Welfare-to-Work Transportation*. States should encourage local agencies to use all available transportation services in their area to facilitate access to good jobs for low income Americans.

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[6] *The exception to the prohibition in section 403(a)(5)(C)(vi) of the Social Security Act is provided in section 3037(h)(2)(B) of TEA-21 as amended by section 9009w of the TEA-21 Restoration Act.*

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# Temporary Assistance for Needy Families Policy Announcement

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, DC 20447

No. TANF-ACF-PA-00-2 | Date: May 26, 2000

TO: STATE AGENCIES AND INDIAN TRIBES ADMINISTERING APPROVED TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PLANS AND OTHER INTERESTED PARTIES.

SUBJECT: Updated joint guidance regarding the ways in which TANF, Welfare-to-Work (WtW), and Job Access funds can be used to help States and communities provide transportation services to eligible individuals.

BACKGROUND: Public Law 105-178, the Transportation Equity Act for the 21st century (TEA-21) was enacted on June 9, 1998. Section 3037 of TEA-21 created the Job Access and Reverse Commute grant program which provides competitive grants to assist States and localities in developing flexible transportation services to connect welfare recipients and other low income persons to jobs and other employment-related services.

PURPOSE: This joint transportation guidance replaces the guidance issued via TANF-ACF-PA-98-5, dated December 23, 1998. This update reflects subsequent legislative changes in the Welfare-to-Work programs since the last update, discussion regarding TANF-funded "assistance" pursuant to 45 CFR 260.31, and clarification of the use of TANF funds in transportation projects.

INQUIRIES: Inquiries about TANF should be addressed to the appropriate Administration for Children and Families (ACF) Regional Administrator. Information regarding WtW or the Job Access and Reverse Commute grant program should be addressed to the Federal Regional Office contacts for DOL and DOT, respectively.

/s/
Alvin C. Collins
Director

# USE OF TANF, WtW, AND JOB ACCESS FUNDS

# FOR TRANSPORTATION

## INTRODUCTION:

Transportation is one of the main challenges facing people making the transition from welfare to work. In some areas, there is a mismatch between where most entry-level and service sector jobs are located and where most welfare recipients live. Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities. Many entry-level jobs require evening or weekend hours in areas that are poorly served by existing transit routes or are not within a reasonable commute time. Even in metropolitan areas with extensive transit systems, studies have shown that less than half the entry-level jobs are accessible by transit. Many parents going to work also need transportation in order to access child care, which further complicates their work commute. The transportation barrier is magnified for low-income Americans living in rural counties, many of whom have no access to public transportation services.

While many States and communities are working to develop innovative transportation strategies, existing public transit often fails to link to suburban job opportunities, cover evening and weekend hours, or serve rural communities. Having a car can make a tremendous difference. Data from the Urban Institute's National Survey of American Families show that twice as many welfare recipients with cars were working than those without cars. Studies of welfare recipients in Michigan and Los Angeles also underscore that access to a car is a critical factor in getting a job. The fact is, however, that many welfare recipients and low-income workers do not have a car.

Historically, the U.S. Departments of Health and Human Services (HHS) and Labor (DOL) have defined transportation in terms of the individual client. As a result, funds were used to directly reimburse clients for transportation costs rather than to develop and support transportation services necessary to meet their needs. When transportation services were provided, they were often not connected with the existing transportation systems. Welfare reform calls for a more systemic approach to break down the transportation barriers. For example, supporting and developing services such as connector services to mass transit, vanpools, sharing buses with elderly and youth programs, coordinating with existing human services transportation resources, employer provided transportation, or guaranteed ride home programs may be necessary to address the transportation problems for welfare recipients and other low-income persons.

## PURPOSE OF GUIDANCE:

HHS and DOL, in concert with the U.S. Department of Transportation (DOT), are working closely together in providing coordinated guidance to encourage States, tribes, and communities to take full advantage of existing resources to develop seamless, integrated services addressing the transportation challenge of moving people from welfare to work. This guidance is intended to augment the current regulatory and statutory provisions.

The three agencies originally issued joint guidance on May 4, 1998. That guidance was updated on December 23, 1998. This update reflects subsequent legislative changes in the Welfare-to-Work (WtW) grant program since the last update, discussion of "assistance" pursuant to the Temporary Assistance for Needy Families (TANF) Program final regulations (45 CFR 260.31), and clarification of the use of TANF funds in transportation projects.

**AUTHORITY AND REFERENCES:**

Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Pub. L. 104-193) and Balanced Budget Act of 1997 (Pub. L. 105-33) amending Title IV-A of the Social Security Act; Transportation Equity Act for the 21st century (TEA-21) (Pub. L. 105-178), TEA-21 Restoration Act (Pub. L 105-206), Child Support Performance and Incentive Act of 1998 (Pub. L. 105-200); Title VIII of H.R. 3424, enacted as part of the Consolidated Appropriations Act for FY 2000, contains the "Welfare-to-Work and Child Support Amendments of 1999;" Temporary Assistance for Needy Families Program Final Rule 45 CFR Part 260, et al (64 Federal Register 17720 (April 12, 1999)); Welfare-to-Work Grants Interim Final Rule, 20 CFR Part 645 (62 Fed. Reg. 61588 (Nov. 18, 1997)); Job Access and Reverse Commute Competitive Grants Notice 65 Fed. Reg. 13209 (March 10, 2000).

**RESPONSE TO CHALLENGE:**

It is essential for all Federal, State, tribal, and local entities to collaborate to ensure success in moving families from welfare to work. This collaboration will help to provide the right mix of transportation services necessary to meet the needs of welfare recipients as well as deliver the most efficient use of existing transportation resources and services. Employers should also be included in the development of transportation services.

States should encourage local agencies to ensure that services provided to welfare recipients are developed in consultation with other appropriate agencies providing transportation services at the local level. In such consultations, public agencies should be mindful of their obligations not to interfere with collective bargaining rights or agreements or to displace employees.

Communities without transportation resources or with a significant unmet need may wish to pursue transportation as a job creation opportunity. The skills involved in developing transportation systems, including driving, dispatching, and providing vehicle maintenance are extremely marketable and transferable to other employment opportunities.

## PROMISING INITIATIVES:

Most States are working to break down the transportation barriers for welfare recipients. For example, Kentucky has taken a comprehensive approach to providing coordinated transportation. Four cabinet offices -- Families and Children, Health Services, Workforce Development, and Transportation -- combined transportation resources to develop a new coordinated transportation system for all their participants. North Carolina and New Jersey are helping counties to bring together the transportation, social services, and employment programs to address client mobility needs and are identifying underutilized transportation resources -- including school buses -- for employment transportation. In Ventura County California, the local transit agency has extended its hours of service, re-routed some lines, and developed new service to some remote locations being used as work experience sites.

Ventura County also has a program in which cars are donated to a nonprofit group and leased on a long-term basis to TANF recipients through a county credit union. In Forsyth County, N. Carolina, Goodwill Industries and the TANF agency work together to utilize surplus county vehicles. Chautauqua County, New York is an area with very limited public transportation. As a result, the County implemented an " EARNA CAR" program in which TANF recipients, who have demonstrated reliability of work effort and have a driver's license, learn basic car maintenance by repairing a donated car. Employed graduates of the class may purchase a donated car and a local bank helps to work out manageable loan payments. Fairfax County, Virginia uses a non-profit agency to help TANF recipients buy used cars. The county also helps the recipient with the downpayment, the cost of the car inspection and a maintenance plan.

Many other examples are included in *Access To Jobs, A Guide to Innovative Practices in Welfare-to-Work Transportation* developed by DOT and the Community Transportation Association of America. The guide features innovative transportation approaches to meet the needs of welfare recipients and other low-income persons, as well as a list of available resources. It is available on the Internet at http://www.ctaa.org/ntrc/atj/pubs/.

## FUNDING RESOURCES:

In this section, we present three specific Federal funding sources that can be used to address the transportation needs of people moving from welfare to work: (1) the TANF block grant program administered by HHS, Administration for Children and Families (ACF); (2) the WtW formula and competitive grant program administered by DOL, Employment and Training Administration (ETA); (3) the Job Access and Reverse Commute grant program (Job Access) administered by DOT, Federal Transit Administration (FTA).

Both the TANF block grants established in PRWORA and the WtW grants authorized by the Balanced Budget Act of 1997 provide considerable flexibility to help States, tribes, and communities provide transportation to individuals transitioning from welfare to work. We describe some of the ways in which States may use Federal TANF funds and WtW funds to provide transportation services. We also discuss some basic programmatic requirements and limitations regarding the use of TANF and WtW grant funds. States and other appropriate agencies providing transportation services need to be mindful of the requirements and limitations when planning transportation services that enable eligible individuals to attain and maintain employment.

The Job Access program provides funding for projects that develop transportation services to connect welfare recipients and other low-income individuals to jobs and other employment-related services. This competitive grant program includes a cost sharing requirement. Because TANF and WtW funds may be used to meet the cost sharing requirement, we discuss the particular rules that must be considered when TANF or WtW funds are used in a cost sharing arrangement in the Job Access program. We also mention some other basic principles and standards for determining allowable costs pursuant to OMB Circular A-87. These cost principles apply to the use of TANF, WtW, and Job Access funds.

We conclude by discussing other resources, not specifically addressed in depth in this guidance, which could be used to fund transportation services for low-income families.

## 1. The Temporary Assistance for Needy Families (TANF) Program

TANF block grants to States total $16.5 billion annually through fiscal year (FY) 2002. In addition, each State must maintain its own expenditures at 80 percent of its FY 1994 spending level (or 75 percent if the State meets the work participation rates). This is known as the maintenance-of-effort (MOE) requirement and regulations are found at 45 CFR 263.2.

State, local, and tribal TANF agencies, or private organizations providing services under contract with the TANF agency, may use TANF funds for a range of transportation services so long as the expenditure reasonably accomplishes a purpose of the TANF program, such as promoting job preparation and work. Work and responsibility are the cornerstones of the TANF program. Thus, it is critical that States involve appropriate State and local agencies, businesses, and community organizations to develop strategies and provide the supportive services, such as transportation, housing, and child care, that eligible individuals need to attain and maintain employment.

### *Program Purposes and Choices*

The purposes of the TANF program as described in section 401 of the Social Security Act are as follows:

1. provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

2. end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

3. prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

4. encourage the formation and maintenance of two-parent families.

To accomplish these purposes, the State TANF agency may use TANF funds to provide support services including child care and transportation. Services can help a family move from welfare to work or support a low-income working family who is not on welfare succeed on the job. Some examples of the ways in which TANF funds can be utilized to provide necessary transportation services directly to TANF-eligible families or to fund services primarily benefiting eligible families, include, but are not limited to:

reimbursement in whole or part to TANF-eligible individuals for work-related transportation expenses (e.g., mileage, gas, public transit fare, auto repairs/insurance, or a basic cash allowance for transportation needs);

a contract for shuttles, buses, car pools, or other transportation services for TANF-eligible individuals;

the purchase of vans/shuttles/minibuses by State, tribe, or locale for the provision of transportation services to TANF-eligible individuals (refer to the discussion below about the parameters on the use of TANF funds and on cost allocation in section 4, "Cost Principles");

the purchase of rider "slots," "passes," or vouchers on a public or private transit system;

financial assistance in the form of loans or grants to eligible individuals for the lease or purchase of a vehicle to travel to/from work or work-related activities;

facilitating the donation and repair of previously owned or reconditioned vehicles to eligible families;

as an alternative to ongoing assistance, one-time, short-term "diversion" payments can be made to assist individuals with transportation needs such as automobile repair/insurance to secure or maintain employment;

payment of start up or operating costs for new or expanded transportation services benefiting eligible families provided that such costs are *necessary and reasonable*, as well as allocated to cover only those costs associated with TANF-eligible individuals (refer to the discussion below about the parameters on the use of TANF funds and on cost allocation in section 4, "Cost

Principles");

establishment of an Individual Development Account (IDA) that a TANF-eligible individual could use to cover qualified business capitalization expenses to establish a transportation service such as a van, shuttle, or door-to-door transportation service (Section 404(h) of the Social Security Act);

establishment of other types of IDAs or asset-building programs that permit car purchases and support a TANF purpose, pursuant to section 404 (a)(1) of the Social Security Act.

the transfer of TANF funds to the Social Services Block Grant (SSBG) to address the lack of transportation infrastructure in many rural and inner city areas; SSBG may be used to serve families and children up to 200 percent of the poverty level, allowing States to address the needs of the disadvantaged population with a blend of transportation services;

payment of costs incurred by State, local, or tribal TANF agency staff involved singularly or with other agencies in the planning of transportation services for TANF-eligible individuals. These costs would be considered TANF administrative costs.

State MOE funds under the TANF program, or State funds separate from the TANF program that qualify under the MOE requirement, may also be used to help TANF-eligible individuals in similar ways.

Many States are also easing restrictions that deter TANF-eligible recipients from owning cars. Most States have either increased the excluded value or discounted entirely the value of a motor vehicle in determining TANF eligibility. Such actions also promote access to job preparation and work. The Food Stamp program has also eased policy restrictions that deter owning a car. Households receiving TANF benefits (either cash or TANF-funded services) are deemed categorically eligible for participation in the Food Stamp program, even if the family owns a car whose value would make it otherwise ineligible for food stamps. This policy is especially helpful for working families in States with more generous TANF limits for vehicles. The Food Stamp program also helps TANF families living in a State with a less generous TANF vehicle policy. The State may request a food stamp waiver to implement a policy that would exempt any vehicle from the Food Stamp assets test, if its sale would net the household less than $1000. This policy also helps families who are not eligible to receive TANF benefits.

### *TANF-Eligibles*

Within the basic parameters described below, States define who is eligible for both TANF and MOE-funded benefits and services. We refer to such eligible individuals or eligible family members as "TANF-eligible."

As a general rule, States must use Federal TANF funds, and State MOE funds, to help eligible family members in ways that are reasonably calculated to accomplish one of the four purposes of the TANF program mentioned earlier. At a minimum, an eligible family must consist of a minor child who resides with a caretaker relative (or consist of a pregnant woman). Beyond this minimum configuration, States may add other household members to comprise the eligible family. States may also choose to define the noncustodial parent (NCP) as a member of the child's eligible family. An eligible family must also be "needy." "Needy" for TANF and MOE purposes means financial deprivation, i.e., lacking adequate income and resources according to the income and resource (when applicable) criteria established by the State to receive the particular benefit(s) or service(s).

If a State does not choose to define the NCP as a member of the eligible family, the State may still help the needy NCP in ways that are consistent with a TANF purpose (see TANF purpose 2). However, only Federal TANF funds, not MOE funds, may be used; and, the benefits must be limited to those that are not considered "assistance."

Under certain circumstances, States do not have to limit services to the "needy." Instead, under TANF purpose 3 or 4 only, States may choose to use Federal TANF funds, but not MOE funds, to extend benefits that are not considered "assistance" to individuals or family members who are not "needy," but who meet other objective eligibility criteria established by the State to receive the service.

### *Assistance*

Some Federal TANF or State TANF MOE-funded benefits or services are labeled as "assistance." The term "assistance" is important because most of the TANF prohibitions, restrictions, and requirements in title IV-A of the Social Security Act apply only when clients receive "assistance." "Assistance" may only be provided to a needy family that, at a minimum, consists of a child living with a caretaker relative (or consists of a pregnant woman). "Assistance" is defined in 45 CFR 260.31.

Basically, "assistance" includes benefits directed at ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses). These benefits are considered "assistance" even when conditioned on participation in a work experience or community service activity. "Assistance" also includes child care, transportation, and supports for families that are not employed.

"Assistance" does not include nonrecurrent, short-term benefits, which (1) are designed to deal with a specific crisis situation or episode of need; (2) are not intended to meet recurrent or ongoing needs; and (3) will not extend beyond four months. "Assistance" also does not include child care, transportation, and other supportive services provided to families that are employed. In addition, "assistance" does not include work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training). Nor does "assistance" include education and training services (although stipends or allowances to cover living expenses would constitute "assistance") "Assistance" does not include contributions to and distributions from Individual Development Accounts or refundable earned income tax credits. It does not include services such as counseling, case management, peer support, child care information and referral, job retention, job advancement and other employment-related services that do not provide basic income support. Finally, "assistance" does not include transportation benefits provided under a Job Access or Reverse Commute project to an individual who is not otherwise receiving "assistance."

Under this definition, an investment in the start-up or operating costs of a transportation service would not constitute "assistance." If, for example, a TANF agency uses TANF funds to contract with a transportation provider for transportation services, and the State pays the fare cost for the TANF family member, then only the value of the fare that the unemployed recipients would otherwise have to pay is "assistance" (if the recipient is unemployed). If the individual is working, then neither the value of the fare nor any other transportation services, are considered "assistance." Similarly, TANF funds used for such activities as planning transportation services or providing "brokerage" services (e.g., to manage the mobility needs of TANF recipients through a central coordination of local transportation programs) do not constitute "assistance" to the family.

State TANF agencies must also collect certain data on a monthly basis about families receiving TANF "assistance" and report that data on a quarterly basis. The data includes information regarding each type of assistance provided to family members under the State's TANF program, including transportation assistance. The data collection and reporting requirements are found in 45 CFR part 265.

Federal TANF "assistance" paid to a family counts toward the 60-month lifetime limit on the receipt of TANF benefits. However, the 60-month limit only applies when the adult or minor family member is the head-of-the-household or the spouse of the head-of-the-household and receiving assistance. The minor must also be pregnant or a parent for the assistance to count toward the Federal time limit. This means that each month of Federal assistance received by these family members impacts the family's lifetime limit on the receipt of TANF benefits. States can set shorter limits or provide

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1 Under certain circumstances, States must also report information on NCPs receiving "assistance" or "non-assistance" services. These circumstances are described in 45 CFR section 265.3(f).

2 WtW cash assistance received by a WtW participant who is a member of the TANF family also counts toward the Federal 60-month limit (see 45 CFR 260.32). However, WtW benefits, including WtW cash assistance, may continue beyond the 60-month limit on "assistance."

There is an exception to the federal 60 month limit if a TANF funded transportation benefit under the Job Access program is the only assistance these family members receive in a given month. Refer to the discussion under the Job Access and Reverse Commute Grant program in item 3.

assistance past the 60-month limit with State funds. It is important that, when planning a transportation strategy to enable the unemployed TANF family member to look for work, to receive counseling, or to participate in job training activities, States assess the impact of such assistance on the family's time limit and advise the family of this impact. Generally, these families are also receiving cash assistance, which counts toward the time limits, so the transportation assistance itself does not have a specific impact on the time limit.

### *Other Considerations*

In order to maximize resources and avoid duplication, TANF agencies are encouraged to coordinate with other transportation services. For example, the TANF agency may arrange with another agency or program to use the vans or buses of the other agency, share in the purchase of transportation services, or share in the costs of a Job Access project. TANF funds may also be used to contract for transit projects open to the general public, so long as the project benefits TANF families, is within the purposes of the TANF program, and TANF funds do not pay for non-TANF individuals. To the extent that non-TANF ridership and fare income increase, the arrangement may become less costly to the TANF program.

OMB Circular A-87 provides the requirement and basis for allocating costs that may be associated with more than one Federal program or non-Federal program. Refer to section 4 on Cost Principles for a fuller discussion of the cost allocation principles as well as other important cost principles pursuant to OMB Circular A-87.

It is also important to remember that TANF funds may not be used to match another Federal grant program unless specifically authorized by the statute of the program (See Section 3 for a more detailed discussion on how TANF funds may and may not be used as match for Job Access and Reverse Commute projects). Also, State expenditures may not count toward the State's MOE requirement if they were spent as a condition of receiving other Federal funds (Section 409(a)(7)(B)(iv)(IV) of the Social Security Act).

Finally, TANF funds may not be used to construct or purchase facilities or buildings. This restriction is based on the general rule that, in the absence of specific legislative authority, appropriated funds may not be used for the permanent improvement of property, including construction and purchase. For example, see the decision at 42 Comp. Gen. 480 (1960).

For more information on the use of TANF funds, refer to the guidance entitled *Helping Families Achieve Self-Sufficiency*, available through the Internet at http://www.acf.dhhs.gov/programs/ofa/funds2.htm.

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Section 404(k)(1)(A) of the Social Security Act expressly prohibits TANF funds from being used for construction in the Job Access and Reverse Commute grant program (discussed in section 3 ahead).

## *Program Choices and Parameters*

Because the WtW grants are part of the same subtitle of the Social Security Act as TANF, the broad purposes of the WtW program are the same as those outlined above for TANF. The Welfare-to-Work program is, however, more narrowly targeted to specifically provide transitional employment assistance to "move individuals into and keep individuals in lasting unsubsidized employment" by means of the seven allowable activities listed in the statute (Section 403(a)(5)(C)(i) of the Social Security Act).

With a few exceptions, the allowable activities under WtW are similar to the activities permitted under TANF, and the same requirements discussed above apply to the WtW Grants program. These requirements include the cost principles set forth in OMB Circular A-87, as well as OMB Circular A-21, which applies to educational institutions; OMB Circular A-122, for non-profit organizations; 48 CFR Part 31 for commercial profit-making organizations; and 45 CFR Part 74 for hospitals, when applicable for competitive grants. The exceptions, with regard to transportation services, are:

- WtW funds can be used only for transportation services that are not otherwise available to the participant (refer to Section 403(a)(5)(C)(i)(VI) of the Social Security Act and 20 CFR 645.220(e));

- WtW funds can only be spent on transportation services for individuals participating in an allowable WtW activity.

- The Social Security Act specifically prohibits the use of WtW grant funds, and State WtW matching funds, to fulfill match requirements under TANF or any other Federal law (Section 403(a)(5)(C)(vi) of the Social Security Act), except as provided in section 3037(h)(2)(B) of the Transportation Equity Act for the 21st Century (TEA-21) as amended by section 9009(w) (4) of the TEA-21 Restoration Act.

- Under WtW, up to 50% of matching funds may be in the form of third-party in-kind contributions.

- Financial assistance, including loans or down payments, to eligible individuals for the lease or purchase of a vehicle to travel to or from work or work-related activities is not allowable under WtW due to the more restrictive purposes of the WtW program, as described at CFR 645.110.

Local workforce investment boards are expected to coordinate local community resources to provide transitional employment assistance (particularly supportive services such as child care and transportation) to the WtW eligible population. Local communities have considerable flexibility in how they use the WtW funds, but the

Department of Labor encourages States to facilitate collaboration with local transportation organizations to help WtW participants reach their new job opportunities. States should also encourage local WtW service providers to work with transportation providers to develop employment opportunities for welfare recipients in transportation services, including appropriate self-employment opportunities.

### 3. Job Access and Reverse Commute Grant Program

On June 9, 1998, President Clinton signed Public Law 105-178, the Transportation Equity Act for the 21st century (TEA-21). Section 3037 of TEA-21 created the Job Access and Reverse Commute grant program. Funding is authorized at $150 million per year for FY 1999-2003, of which guaranteed funding starts at $50 million in FY 1999 and increases by $25 million each fiscal year.

The Job Access and Reverse Commute grant program assists States and localities in developing flexible transportation services that connect welfare recipients and other low-income persons to jobs and other employment related services. Job Access projects are targeted at developing new or expanded transportation services such as shuttles, vanpools, new bus routes, connector services to mass transit, employer provided transportation, and guaranteed ride home programs for welfare recipients and low-income persons. Reverse Commute projects provide transportation services to suburban employment centers from urban, rural and other suburban locations for all populations. Up to $10 million of the annual funds may be used for Reverse Commute projects, with the remainder available for Job Access projects.

States, local governments, metropolitan planning and public transit agencies, tribal organizations, and non-profit organizations may apply for the competitive grants. Additional information on this grant program, including the solicitation for grant applications, can be found at the DOT web site at http://www.fta.dot.gov/wtw/.

The Job Access and Reverse Commute grant program is intended to establish a collaborative regional approach to job access challenges. All projects funded under this program must be the result of a collaborative planning process that includes transportation providers, agencies administering TANF and WtW funds, human services agencies, employers, metropolitan planning organizations, States, and affected communities and individuals, including individuals with disabilities. In addition, the program is expected to leverage other local funds that are eligible to be expended for transportation and encourage a coordinated approach to transportation services.

*Cost-Sharing Requirement*

The Job Access and Reverse Commute (Job Access) grant program has a cost sharing requirement. Grant funds awarded for a project may not exceed 50 percent of the project's total cost. However, section 3037(h)(2)(A)(ii) of TEA-21 as amended expressly allows funds from Federal programs (other than DOT) that may be expended for transportation activities to be used to help meet the local share of the cost. For example, in addition to local resources, Federal funds that may be used in cost sharing arrangements include the HOPE VI grants and other programs administered by the U.S. Department of Housing and Urban Development; Social Services Block Grants and TANF funds administered by HHS; and WtW grant funds administered by DOL.

The recipient of a Job Access or Reverse Commute grant needs to work with all parties sharing in the costs of the project to determine the allowable costs. This is particularly important whenever more than one Federal program expends funds toward the cost of Job Access or Reverse Commute projects.

*Use of TANF and WtW Funds for Job Access Cost-Sharing*

Both WtW and Federal TANF funds may be expended to help meet the Job Access cost-sharing requirement. WtW funds can only be spent on authorized activities and participants (see section 2 of this document). Certain statutory limitations apply to the use of TANF funds used in a cost sharing arrangement in the Job Access program. These limitations are found in section 404(k) of the Social Security Act (as added by Section 403 of the Child Support Performance and Incentive Act of 1998). The limitations are as follows:

Funds must be used for new or expanded transportation services -- not for construction and not to subsidize current operating costs.

Funds must supplement not supplant other State expenditures on transportation.

The preponderance of the benefits derived from using funds must accrue to current and former TANF recipients, noncustodial parents described in section 403(a)(5)(C)(iii) of the Social Security Act; and low-income individuals who are at risk of qualifying for TANF assistance. (States decide the TANF-eligibles from among this group.)

The transportation services provided with the help of funds must promote the ability of the TANF recipients to engage in work activities (as defined in section 407(d) of the Social Security Act).

All applicable TANF or WtW programmatic requirements apply to any Federal TANF or WtW funds expended for Job Access or Reverse Commute transportation projects. This is because the cost-sharing arrangement does not constitute a transfer of funds to the Job Access and Reverse Commute grant program. For example, we previously mentioned (under the discussion of the TANF program) that funds or services received by eligible families that are not employed are generally defined as "assistance." Various TANF programmatic requirements apply to families who receive federally funded TANF "assistance" (e.g., the Federal 60-month lifetime limit for the receipt of "assistance;" data reporting requirements).

However, section 404(k)(3) of the Social Security Act as amended allows one important programmatic exception to TANF-funded transportation "assistance" provided to TANF recipients through a Job Access or Reverse Commute project where TANF funds are used as a match for such a project (e.g., rides on a new shuttle service to and from work provided through a Job Access project). If the transportation benefit is the only form of assistance provided to the individual for a month, then it is not considered "assistance" for purposes of applicable TANF programmatic requirements. For example, if the adult receiving the transportation benefit for a month is the head-of-household or the spouse of the head-of-household, and this is the only "assistance" the individual received for that month, then the month does not count toward the family's 60-month time limit.

There is also a statutory limit on the amount of TANF funds that may be used in a cost sharing arrangement in the Job Access Program. The total amount of TANF funds that a State may use as match for the Job Access and Reverse Commute program during a fiscal year is computed as the difference between 30 percent of the State's TANF grant amount and the amount that a State transfers to the Child Care Development Block Grant and the Social Services Block grant programs for the fiscal year.

## 4. Cost Principles

*General Points*

When planning for transportation services, States should refer to OMB Circular A-87 for guidance with respect to cost principles. OMB Circular A-87 describes the principles and standards for determining allowable costs incurred by State, local, and federally-recognized Indian tribal governments with respect to most Federal awards. The cost principles in OMB Circular A-87 are designed to ensure the fair and equitable expenditure of Federal funds. OMB Circular A-87 is available through the Internet at http://www.whitehouse.gov/WH/EOP/OMB/html/circular.html. Agencies responsible for administering programs in accordance with OMB Circular A-87 must have regulations that implement provisions of this circular and its Attachments. HHS' regulations are found at 45 CFR Part 92; DOL's at 29 CFR Part 97; and, DOT's at 49 CFR Part 18.22 and 49 CFR Part 19.27.

The principles generally require that a Federal award must be used in compliance with all applicable Federal statutory and regulatory provisions; costs charged to a Federal award must be reasonable and necessary for operating the program; and the Federal award must not be used for general expenses required to carry out other responsibilities

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See "parameters on the use of TANF funds," under item 1, the TANF program.

of a State or its subrecipients. In addition, funds from one federally-funded program cannot be used to overcome a shortfall in another federally-funded program. Thus for example, TANF funds cannot be used to remedy a deficit in another federally-funded program.

Generally, allowable costs are classified as either direct or indirect. A cost is one or the other; it cannot be both. Refer to OMB Circular A-87, Section E for examples of direct costs. Indirect costs can include common costs, such as some administrative costs, incurred by more than one State or local agency for a joint purpose. When State agencies or other entities use funds from multiple Federal awards (e.g., TANF, WtW, and Job Access) to pay for the cost of a project, the allowable direct costs need to be determined and a fair share of these costs assigned to each program. Once direct costs have been determined, then the indirect costs are those remaining. Indirect costs must be allocated to each program using a procedure that accurately assigns the allowable indirect costs in accordance with the benefits received by each of the programs administering the Federal awards. The procedures used to identify, measure and allocate indirect costs must be included in each agency or operating agency's cost allocation plan. TANF and WtW funds used to pay indirect costs would be included in the State's public assistance cost allocation plan submitted to and approved by the appropriate HHS Regional Office, Division of Cost Allocation. HHS' Division of Cost Allocation publishes requirements for the preparation, submission, and approval of State agency cost allocation plans for public assistance programs.

## *Specific Points*

TANF funds, including Tribal TANF funds, may be used to procure or to share in the cost of transportation services that are reasonably calculated to accomplish a purpose of the TANF program. The same basic costs principles apply (described above and below) whether States use TANF funds alone or in combination with other funds from different funding streams (whether Federal, State, or local) to pay for a transportation project.

TANF funds may be used if the cost of the transportation project (including start-up costs) is necessary and reasonable. The amount of funds (fair share) expended on an activity must be based on a reasonable estimate of the TANF-eligibles benefiting from the project. States may use any sound reasonable basis for estimating the TANF-eligibles benefiting from the transportation project. When sharing costs with other entities or agencies, States may decide the methodology to use to estimate the TANF

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The four TANF purposes are found in section 401 of the Social Security Act. They are also listed in section 1 of this issuance. As discussed in section 3 of this issuance, section 404(k) of the Social Security Act governs the ways in which TANF funds may be used in a Job Access or Reverse Commute transportation project. States decide the TANF-eligibles from among the group of people mentioned in section 404(k).

eligibles benefiting from the transportation project.

Permitting the State agency to arrive at a reasonable estimate allows the use of TANF funds for transportation investments that support the employment and employment-related needs of TANF eligibles without having to associate all such expenditures to individual families As noted above, any TANF funds used in a project (to meet a fair share of the direct costs and allocated indirect costs) would be based on this estimate. For example, "ridership," is a reasonable way to estimate the TANF families who would benefit from initiating a shuttle service along certain routes. After the start-up period, the estimate would have to be re-evaluated at least annually, and prospectively adjusted as needed, to reflect the new estimate of ongoing operating costs. Any TANF funds used in a project after the start-up period (if applicable) must be based on a current estimate. States may use sampling to arrive at a new estimate.

Likewise, any WtW funds used in a Job Access or Reverse Commute project must be expended on allowable WtW activities for eligible WtW participants. The WtW entity would also need to arrive at a reasonable estimate of the number of WtW clients benefiting from the transportation project, as any WtW funds used in the project (to meet a fair share of the direct costs and allocated indirect costs) would be based on this estimate.

States may expend Federal TANF and WtW grant funds to share in a portion of the cost of the Job Access project(s). This means that the prohibition in section 403(a)(5)(C)(vi) of the Social Security Act against using Federal WtW grant funds or State WtW matching funds to fulfill match requirement under other Federal programs does not apply to WtW funds used for transportation services in Job Access or Reverse Commute projects. However, the prohibition under section 409(a)(7)(B)(iv)(IV) of the Social Security Act does apply. As a result, any State funds expended to meet the Job Access and Reverse Commute grant program cost sharing requirement do not count toward the State's TANF MOE requirement.

*Examples:*

- The local social services district plans to contract with the public transit system to start a new bus service to provide TANF recipients with transportation to an employment site not currently served by the system. The service contract includes start-up costs. TANF riders would be given passes or vouchers to ride at no additional cost. Other passengers using the service will pay a fare.

  General cost principles dictate that the contract cost (including start-up costs) must be reasonable and necessary and based on a reasonable estimate of TANF ridership.

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The exception to the prohibition in section 403(a)(5)(C)(vi) of the Social Security Act is provided in section 3037(h)(2)(B) of TEA-21 as amended by section 9009w of the TEA-21 Restoration Act.

Farebox revenue would serve to reduce the cost of the contract over time.

- The State wishes to provide better community service by expanding public transportation services to low-income communities without such services. The transit agency will purchase vans or shuttle buses, as needed, and retain ownership of them.

TANF funds may be used to help with the purchase of the bus, provided the new bus service is reasonably calculated to accomplish a TANF purpose (e.g., enables TANF-eligible individuals to commute to work or work-related activities, or attend other activities that accomplish a TANF purpose). The amount of TANF funds used for this activity must be based on a reasonable estimate of the TANF-eligibles benefiting from the bus service.

- A developer has completed construction of a mega-mall in a locale that lacks adequate public transportation. The developer has assured the TANF agency that businesses that lease space in the mall are committed to providing employment opportunities for TANF-eligible individuals who are ready-to-work. The space is nearly 100 percent leased. The mall also includes a child care facility. However, there is no existing transportation service to the site. The TANF agency has joined forces with a local bus company to provide transportation to the mall to individuals in a number of identified residential areas.

The TANF agency must have a sound mechanism to estimate the TANF-eligible ridership. Then, TANF funds may be used to pay for costs that are on behalf of TANF-eligible clients.

- This locale wishes to extend an existing bus route so that TANF recipients may travel to an employment site and day care center. TANF funds would only be used to pay for the increase in the cost of the extension.

The project must be reasonable and necessary and based on a sound mechanism to estimate TANF-eligible ridership. TANF funds may only be used to pay for costs on behalf of TANF-eligible clients.

- A Job Access project involves extending a bus line approximately two miles and expanding hours of service past 12:00 A.M. in order to service an industrial park. Employers at the industrial park agreed to provide jobs to low-income individuals and to share in the cost of the new bus line. The TANF agency and a local workforce investment board agree to use Federal funds to match Job Access funds for this project. The new service will also be provided to the public i.e., it will include individuals not eligible for benefits under Job Access, TANF, or WtW.

TANF funds may be used for this project because it meets the requirements of section 404(k) of the Social Security Act. To determine the amount of TANF funds to contribute to the project, the TANF agency needs to arrive at a reasonable estimate of the number of individuals from TANF-eligible families who will use the extended bus service. This estimate must be re-evaluated at least annually and adjusted prospectively because any future TANF funds used in the project must be based on a current estimate.

Then, following the cost principles articulated in OMB Circular A-87, the transit provider, TANF and WtW agencies will need to identify the direct and indirect costs of this project. Any reasonable methodology agreed to by the involved agencies is acceptable for estimating the division of costs. Neither HHS, DOT, or DOL has a preferred standard for this purpose.

A fair share of direct costs are assigned to each of the three parties putting money into the project (the recipient of the Job Access DOT grant funds, TANF agency, and PIC). The indirect costs must be allocated to each program using a procedure that accurately assigns the allowable indirect costs in accordance with the benefits received by each party. The indirect costs and the method used to arrive at each party's share would be included in the cost allocation plan.

## 5. Other Resources Available for Transportation

Although this guidance specifically identifies the opportunities to address transportation needs through TANF, WtW, and the Job Access funding, States should consider coordinating a broader range of resources to maximize the availability of transportation for those moving from welfare to work. In 1996, the Community Transportation Association of America's National Transit Resource Center staff identified 90 programs across 11 Federal departments and six independent Federal agencies which can be used to support community transportation efforts in planning, capital purchase and operating services. Federal funding source information is available on the Internet at http://www.ctaa.org/ct/resource/funding_resources.shtml. Other important transportation information is available at http://www.ctaa.org/pubs. There are additional resources through State-specific and local funding sources as well. These resources, appropriately coordinated, can result in significant transportation resources to enhance existing services or create new ones.

Transportation is an allowable support service under programs such as Social Services Block Grants, Community Services Block Grants, Medicaid, the Job Training Partnership Act, and title I of the Workforce Investment Act which not only replaces the Job Training Partnership Act, but also establishes one stop delivery systems that include many of the other federally funded programs in the local area. Other ideas can be found in various Federal Transit Administration publications such as *The Challenge of Job Access*, *Access To Jobs Brochure (excerpts)*, and *Transportation Planning for Access to Jobs*. Each of these publications can be found online at http://www.fta.dot.gov/wtw/notebk.html. Further information on access to jobs resources, including peer networking, contacts, publications, and a guide to innovative practices, are available through the resource center of the Community Transportation Association of America at http://www.ctaa.org/ntrc/atj/resources.shtml. States should encourage local agencies to use all available transportation services in their area to facilitate access to good jobs for low-income Americans.

Child Poverty
- Final rule attached
- cover sheet for NPRM
also attached

Final Rule – child poverty (happened to have extra copy)

Friday,
June 23, 2000

Federal Register

Part II

# Department of Health and Human Services

**Administration for Children and Families**

45 CFR Part 284

**Methodology for Determining Whether an Increase in a State or Territory's Child Poverty Rate Is the Result of the TANF Program; Final Rule**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Administration for Children and Families**

**45 CFR Part 284**

**RIN 0970–AB65**

## Methodology for Determining Whether an Increase in a State or Territory's Child Poverty Rate Is the Result of the TANF Program

**AGENCY:** Administration for Children and Families, HHS.

**ACTION:** Final rule.

**SUMMARY:** This final rule establishes the methodology the Administration for Children and Families will use to determine the child poverty rate in each State and Territory. If any jurisdiction experiences an increase in its child poverty rate of five percent or more as a result of the Temporary Assistance for Needy Families (TANF) program, the State or Territory must submit and implement a corrective action plan. This requirement is a part of the TANF program, the welfare reform block grant enacted in 1996.

**EFFECTIVE DATE:** This rule is effective August 22, 2000.

**FOR FURTHER INFORMATION CONTACT:** Sean Hurley at (202) 401–9297 or Dennis Poe at (202) 401–4053.

Deaf and hearing-impaired individuals may call the Federal Dual Party Relay Service at 1–800–877–8339 between 8:00 a.m. and 7:00 p.m. Eastern time.

**SUPPLEMENTARY INFORMATION:**

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### I. Statutory Provisions and Regulatory History

On September 23, 1998, the Administration for Children and Families (ACF) published a Notice of Proposed Rulemaking to implement section 413(i) of the Social Security Act (63 FR 50837). This section of the Act is a part of the welfare reform block grant program known as Temporary Assistance for Needy Families, or TANF.

The TANF program was added to the Social Security Act by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), signed by President Clinton on August 22, 1996. The first title of this new law, "Block Grants for Temporary Assistance for Needy Families" (sections 101–116, Pub. L. 104–193) established a comprehensive welfare reform program designed to change dramatically the nation's welfare system into one that promotes work and responsibility. The new program is called Temporary Assistance for Needy Families in recognition of its focus on time-limiting assistance and moving recipients into work.

PRWORA repealed the existing welfare program known as Aid to Families with Dependent Children (AFDC), which provided cash assistance to needy families on an entitlement basis. It also repealed the related programs known as the Job Opportunities and Basic Skills Training program and Emergency Assistance.

The new TANF program went into effect on July 1, 1997, except in States that elected to submit a complete plan and implement the program at an earlier date.

This landmark welfare reform legislation dramatically affects not only needy families, but also intergovernmental relationships. It challenges Federal, State (including Territories), Tribal, and local governments to foster positive changes in the culture of the welfare system and to take more responsibility for program results and outcomes. It also challenges them to develop strong interagency collaborations and improve their partnerships with legislators, advocates, businesses, labor, community, and faith-based groups, and other parties that share their interest in helping needy families transition into the mainstream economy.

This legislation also gives States and Tribes the authority to use Federal welfare funds "in any manner that is reasonably calculated to accomplish" one or more of the four purposes of the new program. It provides them broad flexibility to set eligibility rules and decide what benefits are most appropriate, and it offers States and Tribes an opportunity to try innovative ideas so they can respond more effectively to the needs of families within their own unique environments.

One of the concerns of Congress in passing PRWORA, however, was the potential harm to children that might result from the loss of Federal entitlement to benefits or the unsuccessful efforts of their caretakers to achieve self-sufficiency within the five-year time limit for receipt of federally-funded TANF assistance. Congress was also concerned that States might take an overly-cautious approach to implementing the new law and, for example, not take advantage of the opportunities under the TANF program to use new ways to assist families to obtain and retain employment and increase economic capability.

To address these concerns, Congress added section 413(i) (42 USC 613(i)) to the Social Security Act (the Act)). Specifically:

- Section 413(i)(1) of the Act requires the Chief Executive Officer of each State (including the Territories) to submit annually to the Secretary a statement of the child poverty rate in the State. The first statement, due May 31, 1998, was required to report on the child poverty rate at the time of enactment of PRWORA, or August 22, 1996.
- Section 413(i)(2) specifies that, in subsequent years, if the child poverty rate in a State increases by five percent or more from the previous year as a result of the TANF program(s) in the State, the State shall prepare and submit a corrective action plan to the Secretary.
- Section 413(i)(3) provides that the corrective action plan shall outline the manner in which the State will reduce the child poverty rate in the State and include a description of the actions to be taken by the State under the plan.
- Section 413(i)(4) specifies that the State shall implement the corrective action plan until the State determines that the child poverty rate in the State is less than the lowest child poverty rate on the basis of which the State was required to submit the corrective action plan.
- Section 413(i)(5) requires the Secretary to establish the methodology by which a State will determine the child poverty rate and specifies three factors that the Department must take into account in developing the methodology: The number of children who receive free or reduced-price lunches; the number of food stamp

households; and, to the extent available, the county-by-county estimates of children in poverty as determined by the Census Bureau.

On May 29, 1998, the Administration for Children and Families (ACF) issued a Program Instruction to States (and Territories operating a TANF program) clarifying that the State and the Territory need not submit a statement of its child poverty rate to us by May 31, 1998, as specified in the statute. We explained that we planned to send to each jurisdiction the Census Bureau estimate of the number of children in poverty and that we would be publishing an NPRM in the near future. See TANF–ACF–PI–98–4.

**II. Provisions of the NPRM**

Prior to development and publication of the Notice of Proposed Rulemaking (NPRM), we held two types of consultations. First, we raised issues related to this provision in the general TANF consultation meetings with representatives of State and local government; nonprofit, advocacy, and community organizations; foundations; and others. Second, we held consultations focused specifically on this provision with national organizations representing State and local elected officials; technical, statistical, and policy experts; and representatives of research, advocacy, and public interest organizations that focus on poverty and child economic well-being. These discussions were helpful to us in identifying key issues and evaluating policy options.

In the NPRM, we discussed issues raised during our consultations, including: Measurement of Child Poverty and the Census Bureau Data, Use of the County-By-County Estimates of Children in Poverty in the Methodology, Use of Food Stamp Data in the Methodology, Use of Free and Reduced-Price School Lunch Data in the Methodology, Relative Importance of Various Factors in the Proposed Methodology, and Clarification of the Term "Five Percent Increase."

In the NPRM, our approach to establishing a methodology for determining a State child poverty rate was based on several principles: Using the most reliable and objective data on child poverty currently available (and thus avoiding a requirement that each State or Territory must develop its own child poverty rate); assuring that the child poverty rate was assessed in relation to the TANF program in the context of all appropriate circumstances in the jurisdiction; and limiting administrative burden by requiring that States and Territories provide only those data readily available and necessary to implement the statute.

We proposed a sequential methodology consisting of five major steps. Not all States or Territories would be required to participate in all steps. The proposed methodology for the Territories was similar to that for the States but included some necessary modifications.

We based our methodology on the estimates of child poverty (the child poverty rate) developed by the Census Bureau. The Census Bureau's child poverty rate is the official United States child poverty rate.

*Proposed Step 1*

- Annually, we would provide each State with an estimate of the number and percentage of children living at or below 100 percent of the Federal poverty threshold within the State, based on Census Bureau data. This estimate would be for the calendar year two years prior to the current calendar year, *e.g.*, in 1998, we would provide an estimate for calendar year 1996. The Census Bureau estimates would incorporate county-level estimates of poverty.
- In 1999, and annually thereafter, we would determine for each State, at the 80-percent confidence level, the change in the percent of children in poverty for the most recent two-year period for which the data are available and provide this information to the State. In 1999, we would provide data comparing calendar years 1996 and 1997.

*Proposed Step 2*

- If the child poverty rate in a State did not increase by five percent or more, we would conclude that the State has met the requirements of section 413(i) of the Act, and the State would not be required to submit further information for that two-year period. (A five percent increase would mean that the most recent child poverty rate is at least five percent higher (*i.e.*, 1.05 times higher) than the previous year's rate. A five percent increase did not mean a five percentage point increase.)
- If the child poverty rate in a State increased by five percent or more, we proposed to require that the State provide supplemental information to adjust, explain, or account for this increase. We proposed that the State, within 60 days—

a. Must provide data on the average monthly number of households with children that received food stamp benefits for each of the two most recent calendar years for which data are available;

b. Must provide data on any changes in legislation, policy, or program procedures that have had a substantial impact on the number of households with children receiving food stamp benefits during the same two-year period, including data on sub-populations affected; and

c. May provide, at State option, other information covering any pertinent time period, such as the proportion of students certified for free or reduced-price school lunches or estimates of child poverty derived from an independent source.

Alternatively, if a State chose to accept the increase in child poverty as indicated by the Census Bureau data, it could skip steps two and three and move directly to step four—the assessment of the impact of the TANF program on the increase in child poverty.

*Proposed Step 3*

- We would review the food stamp and other data provided by the State. If we determined that these data indicated a subsequent improvement, commensurate with the poverty increase in the Census data, it would not be necessary for the State to proceed to Step 4 because the more recent data would indicate that the child poverty rate in the State was improving.

*Proposed Step 4*

- If we determined that the food stamp and other data provided by the State did not indicate a subsequent commensurate decrease in child poverty, we proposed to notify the State that it must, within 60 days, provide an assessment (and the information and evidence on which the assessment was based) of the impact of the TANF program in the State on the child poverty rate. We proposed to give the States and Territories broad latitude in the information they could provide.

*Proposed Step 5*

- We would review the information provided by the State, along with other information available such as the State's TANF plan and eligibility criteria, data on other supportive services and assistance programs, and information on the State's economic circumstances. If we determined that the increase in the child poverty rate was the result of the State's TANF program, we would notify the State that it would be required to submit a corrective action plan within 90 days.

*Proposed Methodology for the Territories*

- To the extent that data are available and the procedures applicable, we proposed that the Territories would be subject to the same general methodology as described for the States. Because the Census Bureau does not estimate a child poverty rate for the Territories, we proposed that ACF would compute an estimated child poverty rate for each Territory, based on information submitted by the Territory.
- Subsequent procedural steps would be the same as for States, *i.e.*, as applicable, we would review supplemental data to determine whether the child poverty rate increased by five percent or more; review the Territory's assessment of whether the increase in the child poverty rate was a result of the TANF program; and require the development of a corrective action plan, as necessary.

Based on this proposed methodology, we anticipated that a small number of States and Territories would need to respond to the requirements of each step and an even smaller number would be required to submit a corrective action plan.

**III. Comment Overview**

We received 14 comment letters on the NPRM from seven State TANF agencies, four national organizations, two State and local policy and advocacy organizations, and one United States Senator. We reviewed and seriously considered all comments. We particularly appreciated the fact that several commenters went beyond reacting to the proposed regulatory text to include a helpful discussion of the issues raised in the preamble and additional supportive and analytic information.

In general, most commenters had mixed views on our proposed approach. They commended our external consultation process prior to the development of the rule and our "reader-friendly" regulations, given the highly complex and technical nature of the subject. Several commenters agreed with specific policy provisions, *e.g.*, our use of the Census Bureau data, our recognition of the limited usefulness of the school nutrition program data, and the flexibility we proposed to allow States regarding what information the State could include in its assessment of the impact of the TANF program on child poverty or in the corrective action plan.

At the same time, we also received some objections to our proposed approach and recommendations for changes. The strongest objections were directed at our proposal to allow a State whose child poverty rate had increased by five percent or more to provide food stamp participation data in order to adjust for deficiencies in the Census Bureau data. Our rationale in the NPRM was that food stamp participation data (which historically had tracked the poverty rate) could be used to show evidence of more recent trends that would explain or "rebut" the increase in child poverty. Commenters pointed out that the food stamp participation rate, indeed, had tracked poverty in the past but that recent evidence indicated that it no longer did so. They urged the deletion of this provision. Others objected to this provision on the grounds of administrative and reporting burden.

Two commenters objected to what they believed were implicit assumptions in the statute, *i.e.*, that child poverty is the result of the TANF program or that the TANF program could affect child poverty in any meaningful way. Others objected to the additional administrative burden of specific provisions and questioned several technical provisions, *e.g.*, our use of the 80-percent confidence interval in determining the child poverty rate.

Some commenters called to our attention that we had not addressed the role of the Tribal TANF programs in implementing this section of the Act. Some recommended that we clarify that States may exclude the Tribal TANF population in the calculation of the State's child poverty rate.

In addition, one advocacy organization urged us to focus not only on a five percent increase in the child poverty rate but also to address the "poverty gap," *i.e.*, the depth of poverty for those children below the poverty level. Finally, two national organizations recommended a number of steps the Department might take to help improve the national child poverty measure and, thus, better implement the overall intent of the statute.

We have organized our response to the comments, first, to address the issues that are cross-cutting and are not tied to regulatory text and, second, to address other issues in the section-by-section discussion of the regulatory text.

**IV. Discussion of the Final Rule**

*A. Response to Comments on Cross-cutting Issues and Issues Not Tied to the Regulatory Text*

1. The Intent of the Statute and the Relationship Between the TANF Program and Child Poverty

*Comments:* A number of commenters expressed differing views on the purpose of section 413(i) of the Act and the NPRM. One commenter assumed that the purpose of the statute and the regulation was to decrease child poverty nationally. Other commenters believed that the intent of the law was to monitor child well-being and track changes in the child poverty rate related to PRWORA. Some commenters objected to what they believed were implicit assumptions in section 413(i), i.e., that the child poverty rate was the result of the TANF program (a "cause and effect relationship" was assumed to exist), or that the TANF program could affect child poverty in any meaningful way. One commenter found the statute and the NPRM "grossly flawed" based on this implicit assumption.

One commenter stated that, as was true in the Aid to Families With Dependent Children (AFDC) program, the TANF program is not explicitly designed to elevate families above the poverty level. Rather, its purpose, they believed, is to provide a set of financial and service supports, coupled with an assumption of personal responsibility, that will provide the opportunity for a family to become self-sufficient. Except in circumstances where the State's TANF payments exceed the poverty rate, this commenter alleged that all children receiving TANF will already have incomes beneath the poverty level.

Therefore, because all the affected persons are already counted as living beneath the poverty level, no change to the operation of the TANF program, whether it be reducing TANF payments, failing to move families to employment, or terminating families' eligibility for TANF, would increase the poverty rate.

They concluded that only positive changes made by the TANF program, such as successful employment programs which move recipients to relatively high paying jobs, could affect the child poverty rate. Significant changes in the poverty rate, they believed, are necessarily the result of factors extrinsic to TANF, such as economic and demographic shifts. Thus, it appeared to this commenter that neither the statute nor the regulations could be implemented in any meaningful way.

*Response:* We disagree with the observation that "all children receiving TANF will already have incomes below the poverty line." Based on AFDC data, we know that, typically, a family may have income below the poverty line in a specific month (or months), but family income would not necessarily fall below the poverty line on an annual basis.

However, we agree that the intent of the statute reflects Congressional concern about PRWORA's effects on the well-being of children, including children who no longer receive TANF benefits. Section 413(i), as well as other provisions of the law, were added to provide a careful look at what is happening to children following enactment of this legislation. Clearly, certain TANF program and policy decisions could contribute to an increase in poverty. Finally, and more importantly, we note that there are positive actions that State and Tribal TANF agencies can take to help improve the poverty status and well-being of families.

The child poverty rate in the United States, developed by the Census Bureau, is a frequently used indicator of child well-being. (The "child poverty rate" means the percentage of all children in a State that live in families with annual incomes below 100 percent of the Census Bureau's poverty threshold.)

The national child poverty rate has declined since 1992 from 22.3 percent to 18.9 percent, the largest five-year drop in nearly 30 years. Still, currently, 13.5 million children live below the poverty line. At the same time, a recent Census Bureau report found that, among Americans living below the poverty line, a greater share held jobs than at any point in the last 20 years. The Census Bureau found that, in 1998, 12.5 percent of poor adults worked full-time (a 22 percent increase over 1997), and another 41 percent worked part-time.

In the context of the TANF program, employment is central to assisting families to escape poverty. States have made huge progress in moving families to work; large increases in employment are evident from every information source. However, for many families, work by itself will not guarantee an escape from poverty unless other critical supports are in place. Thus, the challenges are to continue the movement of families into work, build supports that can sustain parents in work, and help them move to more enduring and higher paying jobs, so that families who work will not be poor.

The TANF program, as opposed to the AFDC program, allows States to provide a broad array of supports for working families and to provide them independently of the basic cash welfare system. Unlike AFDC, TANF can be an effective vehicle for reducing poverty, supporting families, and making work pay.

A number of innovative States are using child poverty as a measure of their efforts to assist families, and some States are already using the resources and flexibility under TANF to address this issue. Some activities that specifically address poverty include:

- Under TANF, utilizing well-known strategies to supplement work, such as more generous earning disregards, earnings supplements, and wage subsidies;
- Improving child support, such as increasing the amount of support collected from non-custodial parents that is passed through to children; and
- Enacting State refundable tax credits.

Recent research findings from studies in Minnesota and Oregon support the use of these specific strategies in reducing poverty.

In addition to these activities directly related to reducing poverty, States are undertaking a number of supportive activities which indirectly help make work pay, including:

- Taking critical steps to ensure that eligible families, including those that do not receive TANF, do receive food stamps and Earned Income Tax Credit payments for which they are eligible;
- Increasing the stability of work through investments in the wages parents earn or the hours they work, such as employer partnerships that focus on the first job, on job advancement after the first job, or on combinations of work and training; mentoring and case management strategies; strategies that combine work, education, and training; and supported work for families with barriers to private sector employment;
- Helping families during periods between jobs, such as quick re-employment services; and
- Providing employment assistance for other families, such as a child-only family where a caretaker relative is not receiving assistance.

We are continuing to monitor what is happening to children and families as a result of the enactment of the TANF program. In addition to section 413(i), we are looking at State performance and accomplishments through the High Performance Bonus and the Out-of-Wedlock Childbearing Bonus. We are also sponsoring a variety of research studies and evaluations to assess the impact of welfare reform, e.g., we are measuring the effects of different approaches to welfare reform on child well-being, and numerous studies are tracking families leaving TANF.

2. Tribal TANF Programs and Section 413(i) of the Act

*Comments:* As several commenters pointed out, we did not address the issue of child poverty in areas covered by Tribal TANF programs in the NPRM. They asked for clarification in the final rule on how Tribes operating TANF programs will be considered in the poverty rate calculation and recommended that we allow States to exclude the Tribal TANF population in the calculation of a State's child poverty rate. These commenters also indicated that it was unfair to hold the State TANF program accountable for the Statewide child poverty rate when the State has no authority over or responsibility for the conduct of the TANF program in areas of the State covered by a Tribal TANF program(s).

*Response:* Section 413(i) of the Act specifies the responsibilities of the Chief Executive Officer of the State in relation to increases in the child poverty rate and the TANF program(s) in the State. Section 413(i)(2) also provides that an assessment of the increase in the State's child poverty rate shall be made in relation to "the amendments made by section 103 of PRWORA." Because section 103 of PRWORA authorizes both State and Tribal TANF programs, the Chief Executive Officer must address increases in the State's child poverty rate in relation to both State and Tribal TANF programs in the State.

We do not accept the recommendation that the States may exclude the Tribal TANF population in a calculation of a "State" child poverty rate. We could not implement this recommendation because the statute clearly specifies that both State and Tribal TANF programs must be considered. In addition, the Census Bureau does not determine a separate child poverty rate for Tribal lands or reservation areas.

In response to comments, however, we have amended three sections of the final rule. Specifically, we have:

- Amended § 284.15(b) to provide that the State should obtain information from and work with any Tribe(s) (and Tribal consortia) operating a Tribal TANF program in the State in preparing and submitting the assessment of the impact of TANF programs on the increase in child poverty and the corrective action plan;
- Added, in § 284.30(b), examples of Tribal TANF information that might appropriately be included in the assessment;

• Extended, in § 284.21, the period of time the State has submit the assessment, from 60 days to 90 days, in part to allow further opportunity for State and Tribal coordination; and

• Specified in § 284.45 that any actions to reduce child poverty to be taken by the Tribe(s) must be included in the corrective action plan.

In the context of State and Tribal cooperation, we note that there are 330 American Indian entities in the contiguous 48 States and 13 Alaska entities eligible to administer a Tribal TANF program. Currently, there are 21 approved Tribal TANF plans in operation. (One additional Tribal TANF plan is approved but not yet in operation.) Nineteen of these programs involve individual Tribes and three are operated by inter-tribal consortia. (One consortium in California is composed of 19 Tribes; another consortium is composed of 37 Alaska Native villages (Tribes); and the third consortium is made up of 20 Alaska Native villages (Tribes).) Additional Tribes are exploring the option of operating a TANF program.

Both State and Tribal TANF programs serve Indian families. Based on the most recent data available from 1999, Indian tribes expect to serve approximately 3,800 families in FY 2000. In FY 1998, approximately 46,702 American Indian families were served by State programs. In several States, American Indians constitute a large percentage of the State TANF caseload, i.e., 73 percent of South Dakota's TANF caseload, 54 percent in North Dakota, about 41 percent in Alaska, and over 46 percent in Montana.

Tribes that operate a TANF program have the flexibility to design programs and services; define eligibility criteria; establish benefits; and design strategies for achieving program goals, including helping recipients become self-sufficient.

Welfare reform also provided Tribes and States with new opportunities for communication, coordination, and collaboration to help achieve program goals. One of the most important ways States have been working with Tribes to address the issue of poverty is by making State supplemental contributions to Tribal TANF programs (as a maintenance-of-effort (MOE) expenditure) to expand job-related activities and strengthen Tribal programs for families and children. In addition, a number of States and Tribes are also entering into a range of cooperative efforts, including:

• Sharing equipment and resources, such as computers;

• Co-locating service centers and sharing office space;

• Conducting joint staff training;

• Coordinating information, reporting requirements, and reporting systems;

• Establishing consolidated intake and eligibility determinations, particularly for the food stamp, Medicaid, and State Children's Health Insurance Programs; and

• Cooperating in the provision of direct services (*e.g.*, job skills training) and supportive services, *e.g.*, transportation.

The preparation and submittal of an assessment and a corrective action plan are additional opportunities for State and Tribal coordination, both in meeting the requirements of section 413 of the Act and meeting the needs of Indian families. We believe the additional time provided to submit the assessment will help support such coordination.

3. Recommendations To Improve the National Poverty Measures

*Comment:* Two national advocacy organizations recommended that the U.S. Department of Health and Human Services (DHHS) should take full advantage of the opportunities afforded by PRWORA and section 413(i) of the Act to actively explore activities that would expand and improve the Census Bureau's existing measure of child poverty. They believed that the most important purpose of section 413(i) of the Act is to require a careful look at what is happening to the well-being of children following enactment and implementation of TANF. The measurement of child poverty, therefore, provides a useful means of evaluating changes in child well-being at the State level. Improved measures will support this effort.

Generally, these organizations recommended that the Census Bureau's child poverty estimates include data from both current and new sources and that currently available data from other sources should be used (in conjunction with the official poverty measure) to focus increased public attention on child poverty. Specifically, they recommended that DHHS:

• Support research now underway to implement the recommendations of the National Academy of Sciences panel on poverty measurement;

• Support funding needed to field the Census Bureau's American Community Survey which is designed to provide more timely State-level data than the decennial census and more accurate State-level data than the Current Population Survey;

• Explore ways to use currently available data to improve the existing poverty measure and to add new data to the measure as they become available, *e.g.*, modify the Census Bureau's Small Area Income and Poverty Estimates by adding data on food stamps, housing benefits, earned income tax credits, and work expenses;

• Encourage States to better assess the well-being of their children and make the data more generally useful by participating in the increased costs of expanding the Current Population Survey (CPS) sample size at the State level;

• Encourage and fund efforts by States to develop administrative databases for measuring child well-being within their own jurisdictions;

• Use data already collected by the Census Bureau to show the impact of specific programs such as TANF by comparing child poverty before and after receipt of means-tested government transfers; and

• Publish measures of the poverty gap among children to provide an indication of the depth of poverty, at least at the national level.

*Response:* While we generally agree that these recommendations would help to improve the Census Bureau's measurement of child poverty and understand the circumstances of children in poverty, the Department already participates in a number of inter-agency and Departmental efforts that address these recommendations:

• In May 1995, the Panel of Poverty and Family Assistance appointed by the National Research Council published a report in which it proposed a new approach for developing an official measure of poverty in the U.S. Since that time, personnel from the Census Bureau, the Bureau of Labor Statistics, and other Federal agencies (including DHHS) have been engaged in research to explore possible implementation of the Poverty Panel's recommendations.

• In 1997, the Office of Management and Budget convened a Federal Interagency Technical Working Group to Improve the Measurement of Income and Poverty that includes representatives from DHHS. In July 1999, the Census Bureau issued a report on experimental poverty measures, reflecting the results of ongoing research. However, none of these experimental measures has been selected to replace the current official definition because a number of issues remain unresolved. The review of alternative poverty measures is expected to carry on for several years. We will continue to work with this group and other interested public and private organizations to develop improved measures of child poverty.

• Also at an inter-agency level, the National Science and Technology Council's "Children's Initiative Subcommittee" continues to explore the most effective use of Federal resources for research focused on child poverty as well as other issues related to the well-being of America's children.

In addition, the Department is:

• Transferring funds to the Census Bureau to allow for the expansion of State and local estimates of poverty to include children ages 0 to 4;

• Financing a research effort to advance State Child Indicators Initiatives. The aims of this program are to: (1) Promote State efforts to develop and monitor indicators of the health and well-being of children as welfare reform and other policy changes occur; and (2) help to institutionalize the use of indicator data in State and local policy formulation; and

• Funding two national poverty research centers: The Institute for Research on Poverty located at the University of Wisconsin at Madison and The Joint Center for Poverty Research, co-located at the Northwestern University and the University of Chicago. These national nonprofit, non-partisan centers focus their research on the causes and consequences of poverty and inequality and on interventions to reduce poverty and dependence and help focus on and contribute to the knowledge about this important issue.

In response to the recommendation for publication of information on poverty, particularly the poverty gap, these data are available from the Census Bureau's Internet site (www.census.gov) along with information on how to obtain more detailed data files. ACF also publishes poverty gap information in its annual TANF Report to Congress.

*B. Summary of the Final Rule*

Our principles, first established in the development of the NPRM, remain the same for the final rule: Use the most recent, reliable, and objective data available; assess the impact of the TANF program(s) in the State on any increase in the child poverty rate of five percent or more in the context of all appropriate information; and require minimal administrative burden on States and Territories in carrying out these requirements.

In the final rule, we retained some policies as proposed in the NPRM and made several changes and modifications, based on our consideration of public comments. We address these policies and changes in the section-by-section discussion. Briefly, however, we:

• Continue to base the State child poverty rate on the current Census Bureau estimates, but, if better Census Bureau data become available, we will use these data;

• Will provide to States, in 2000, the Census Bureau's estimate of the number and percent of children in poverty in each State for calendar year 1997 and the change in the percentage of children in poverty between 1996 and 1997, at the 90-percent confidence level rather than the 80-percent confidence level proposed in the NPRM. (We provided the calendar-year 1996 Census Bureau estimates of children in poverty in each State to the Chief Executive Officer of the 50 States and the District of Columbia on December 21, 1999. We also sent a copy of this information to the director of each State's human services agency.);

• Allow a State to submit an estimate of the State's child poverty rate, derived from an independent source; we will accept the State's estimate if it is more reliable than the Census Bureau data;

• Eliminated the step in the NPRM that used food stamp participation rate data to "rebut" an increase in the child poverty rate;

• Continue to allow a State wide latitude in how it conducts its assessment of the impact of the TANF program(s) in the State on an increase in the State's child poverty rate;

• Allow a State 90 days to submit the assessment, an additional 30 days beyond the 60-day period proposed in the NPRM;

• Continue to allow States to develop the content and determine the duration of the corrective action plan in accordance with the law;

• Clarify that a State should obtain information from and work with the Indian tribes (or Tribal consortia) operating a TANF program in the State in preparing and submitting the assessment and the corrective action plan; and

• Postpone the development of a child poverty rate for the Territories (*i.e.*, Guam, Puerto Rico, and the Virgin Islands) until reliable data are available. (At the present time, American Samoa has not applied to implement the TANF program.)

*C. Section-by-Section Discussion of the Regulatory Text*

*Section 284.10—What Does This Part Cover?*

In the NPRM, this section provided a summary of the scope and content of part 284. We received no comments on this section.

We made two editorial changes in the final rule for clarity. First, we added the word "Territories" to make explicit that this part applies to States and Territories. Second, we substituted the phrase, "as a result of the TANF program(s) in the State or Territory" for the phrase "as a result of TANF." This latter change emphasizes that an increase in the State's child poverty rate will be assessed in relation to all TANF programs(s) in the State, *i.e.*, both State and Tribal TANF programs.

*Section 284.11—What Definitions Apply to this Part?*

This section of the NPRM proposed the definition of terms we used in part 284. We received one comment on this section indirectly related to our definition of "children in poverty." We had defined this term to mean "estimates resulting from the Census Bureau methodology of the percent of children in a State that live in families with incomes below 100 percent of the federal poverty level." These estimates, developed by the Census Bureau, constitute the official U.S. child poverty rate.

In our external consultations prior to the development of the NPRM, we noted that several agencies and organizations recommended that, in addition to statutory requirements, we also focus on the percent of children in families with income levels at or below 50 percent of poverty. We considered regulating beyond the provisions of the statute, but found that the current Census Bureau methodology would require significant revision and would be much less effective in estimating poverty at levels lower than 100 percent. However, we invited public comment about the advisability and desirability of pursuing such an approach.

*Comment:* The advocacy organization which responded to this issue pointed out that measuring a five percent increase in the child poverty rate, as required by law and as proposed in the definition of children in poverty in the NPRM, will not present a complete or accurate picture of the effects of TANF on poor children. They were concerned that changes brought about by State TANF policies could negatively impact the lives of children whose families were already below 100 percent of the poverty level before the TANF program began. They provided two examples to illustrate this point:

• In States whose pre-TANF cash assistance standards were below the federal poverty level, children in TANF families were already included in the State's poverty rate. Reductions in the amount of assistance caused by TANF-related changes, or even failure of the assistance standard to keep pace with inflation, would worsen the family's poverty but would not be reflected as a change in the poverty rate and, thus, not measure the impact of the TANF program on children and families.

- The flexibility offered to States under the TANF program means that a State could make major policy changes that might negatively affect families. For example, a State might count the benefits from other programs (such as Supplemental Security Income (SSI)) as available income. Such a policy could make a family ineligible for TANF. In this case, a family could go from receiving low assistance to no assistance and still not be identified as having been affected by TANF-related changes.

This organization was also concerned about the inequities of the proposed five percent increase and our definition. For example, in States where the poverty rate is high, a five percent increase means more children have fallen into poverty before corrective action is taken than in States whose initial poverty rates are low.

They strongly recommended that we develop measures that would not only identify the number of children in families below the poverty level, but would also reveal the depth of their poverty, *i.e.*, the size of the "gap" between family income and 100 percent of the official poverty level. They also recommended that the final rule focus on any State where the child poverty rate is high, regardless of whether that rate increased by five percent or more.

*Response:* We carefully considered these comments in developing the final rule. We agree with this commenter that child poverty is a serious issue and that poverty at the deepest levels is an even more serious issue. We are committed to, and concerned with, the well-being of children and families, and undertake a wide range of activities to improve the lives of children and families, as do a number of other public and private agencies and organizations. However, given the specific requirements of the statute and our lack of regulatory authority to impose requirements not specified in the law, we did not accept this recommendation. For the purpose of public information, as noted earlier, we publish the poverty gap information in our Annual TANF Report to Congress. We also post the Census Bureau's State child poverty rate data on our Internet site (www.acf.dhhs.gov).

*Other Changes Made in § 284.11 of the Final Rule*

We made several changes in this section to provide further clarity and explanation of terms. We:

- Revised the definition of "Census Bureau methodology" by: (1) Adding an explanation to clarify that the term may include a range of mechanisms to estimate poverty, including estimates based on the Current Population Survey; the Small Area Income and Poverty Estimates; annual demographic programs, including the American Community Survey; or any other methods used by the Census Bureau; (2) adding a definition of the term "children in poverty" as used in the definition of "Census Bureau methodology" and deleting the definition of "children in poverty" as a separate definition; and (3) deleting the sentence explaining how we proposed to compute the child poverty rate for the Territories;
- Revised the definition of "Child poverty rate" to incorporate language from the NPRM's definition of "children in poverty" and to comport with the current Census Bureau description;
- Added a definition of Tribal TANF program; and
- Added definitions for, or explanations of, acronyms used in the final rule, *i.e.*, the Small Area Income and Poverty Estimates (SAIPE), Separate State Program-Maintenance of Effort (SSP–MOE), and Maintenance of Effort (MOE).

*Section 284.15—Who Must Submit Information to ACF To Carry Out the Requirements of this Part?*

As specified in section 413(i) of the Act, we proposed in the NPRM that the Chief Executive Officer of the State or Territory, or his or her designee, is responsible for carrying out the requirements of this part.

We received no comments on this section of the NPRM but have made one addition in this section of the final rule. In new paragraph (b), we specify that the State should obtain information from and work with any Indian tribe (and Tribal consortia) operating a TANF program in the State in preparing and submitting the assessment (as specified in § 284.30) and the corrective action plan (as specified in § 284.45). As discussed above under the topic "Tribal TANF programs and Section 413(i) of the Act," this change clarifies that the statute requires the State to consider both State and Tribal TANF programs in carrying out the requirements of this part. If the requested Tribal TANF information is not made available to the State, any submission to us should clearly indicate that fact.

*Section 284.20—What Information Will We Use To Determine the Child Poverty Rate in the State?*

(§ 284.20 of the NPRM—What information will we provide to each State to estimate the number of children in poverty?)

In the NPRM, we proposed, in paragraph (a), that we would send to the States each year the Census Bureau's estimate of the number of children in poverty. The first estimate in 1998 would be for calendar year 1996. In paragraph (b) of the NPRM, we proposed that, beginning in 1999, we would compute the change in the percentage of children in poverty, at the 80-percent confidence level, and provide this information to the State. We proposed that the first percentage change would be sent to States in 1999 and would cover the change between calendar years 1996 and 1997. We also proposed that the annual Census Bureau estimates would be based on the Current Population Survey (CPS) data and would incorporate data from the Small Area Income and Poverty Estimates (SAIPE), *e.g.*, State and county level data.

We have continued this general approach in § 284.20 of the final rule, with two modifications. The first modification, in response to comments, is a change in the level of statistical confidence we will use to determine the percentage change in a State's child poverty rate, *i.e.*, from 80 percent to 90 percent. We have also clarified the use of a statistical test to ascertain a change in a State's child poverty rate. The second modification expands on a provision in the NPRM to allow a State to submit child poverty data derived from an independent source.

Briefly, we will continue to send annual estimates of the number and percentage of children in poverty to each State, based on data from the Census Bureau. Paragraph (b) of the final rule specifies that, in 2000, we will determine the first percentage change in the State's child poverty rate, between calendar years 1996 and 1997, at the 90-percent confidence level. Paragraph (c) allows a State to submit child poverty data derived from an independent source as an alternative to the Census Bureau data and specifies the conditions for submitting these data. Paragraph (d) specifies that if we determine that the State's independent child poverty data are more reliable than the Census Bureau data, we will accept them. These changes are discussed more fully below.

We also received a number of technical comments which we have organized into and will respond to under four subject areas: Use of the Census Bureau Estimates of Poverty; Use of the 80-percent Confidence Level; Interpretation of the Term "five percent increase;" and Dissemination of the Census Bureau Data.

*Comment:* One national organization recommended that, because the Census Bureau data is considered moderately reliable and we proposed an 80-percent confidence level, the final rule should allow States to challenge the Census Bureau estimates by providing alternative statistical evidence.

*Response:* In the NPRM, we proposed in § 284.25(c) to allow a State to submit an independent estimate of child poverty as part of the "rebuttal" process, along with food stamp and school nutrition data. However, we agree with the thrust of this commenter's recommendation and have added new paragraphs (c) and (d) to § 284.20 of the final rule to allow States to provide child poverty data derived from an independent source.

New paragraph (c) specifies that if the State submits an independent estimate of child poverty, it must do so within 45 days of the date the State receives the Census Bureau estimates from us; include the child poverty rate for each of the two years covered by the Census Bureau estimates; include a computation of the change in the child poverty rate over the two-year period at the 90-percent confidence level; and provide a description of the methodology used by the independent source to develop its child poverty estimate.

New paragraph (d) provides that we will accept the State's independent estimate of the child poverty rate if the data are more reliable than the Census Bureau data. Otherwise, we will determine the State's child poverty rate based on the Census Bureau estimates.

In the NPRM, we recognized that a growing number of States and other organizations are conducting studies of child poverty. One of our aims in implementing section 413(i) of the Act is to use the best child poverty data available. We believe that those States currently conducting or funding such studies of child poverty will be in the best position to provide an independent estimate, if they so choose.

We have specified that the State may provide an alternative estimate of the State's child poverty rate, but only if the estimate is derived from an independent source. (An "independent source" is a source of data or information not under the direct supervision or control of the State TANF agency such as a university, research or advocacy organization, or an independent evaluation or analysis office associated with a State executive branch agency or State legislature.)

We have specified that the independent estimate must be provided within 45 days of the State's receipt of the Census Bureau estimates because we want to utilize independent estimates that have already been conducted for the applicable years. Our intent is to not delay the process of review and assessment of poverty estimates in relation to the TANF program(s) in the State.

We will need certain information from the State in order to evaluate the reliability of the State's independent estimate. Accordingly, in paragraph (c)(2)(iv), we specify that the State must describe the methodology used to develop the independent estimate, the source of the data, the data collection methodology, any known problems associated with making estimates of this type, the estimate of the standard error, and the power of the sample to detect a five percent change in the child poverty rate. The State must also use the official definition of poverty used by the Census Bureau.

We believe that the State's data must be "more reliable" than the Census Bureau data. Otherwise, we will use the Census Bureau data in implementing this part. For the purposes of paragraph (d), the term "more reliable" means data that are based on and meet accepted statistical methods and standards, *e.g.*, the data are derived from a representative sample of households, determined at precision levels higher than the Census Bureau data, and based on income and other variables comparable to the Census Bureau methodology.

*A. Use of the Census Bureau Estimates of Poverty*

*Comments:* A national organization supported our use of the Census Bureau estimates on the grounds that "the Census Bureau estimates, including the SAIPE data, are the best current available measures of the percentage of children living at or below the Federal poverty threshold." A State TANF agency expressed appreciation for our proposal to send the child poverty data to the States, thus reducing State reporting burden.

However, another State TANF agency recommended that we use only the Current Population Survey (CPS) data because the CPS sample sizes are large enough to reduce the risk of error, higher confidence levels are possible, and the lag time would be reduced from two years to one.

*Response:* We reviewed our decision to use the Census Bureau estimates of poverty, and we believe, at the present time, they are the best national data available. This decision is reflected in paragraph (b) of this section of the final rule. If more reliable Census Bureau data sources become available in the future, we plan to use them.

In response to the recommendation that we use CPS data as the basis of our national estimates of poverty, we agree with the commenter that the lag time would be reduced. However, we believe that the SAIPE data are not only required by section 413(i)(5) (*i.e.*, use of "county-by-county estimates of children in poverty as determined by the Census Bureau"), but that the SAIPE data, when used with the Census Bureau State estimates, provide greater accuracy and less variation than are present in the CPS data.

In addition, we are not relying on point estimates, but are using statistical tests that address variation. Finally, we believe, and the Census Bureau confirms, that the CPS estimates are large enough to provide reliable direct estimates for only 10 States and a few large counties. The CPS data might serve the large population States but would not serve as a reliable national data source for all States.

*Comment:* One commenter noted the increasing disconnect between the use of food stamps and the poverty rate and was concerned about how this would affect the SAIPE data.

*Response:* The Census Bureau is satisfied that current estimates are reasonable and appropriate. They will be closely monitoring the relationship between food stamp program participation and poverty and will consider changes in their modeling process, as needed. In addition to the Census Bureau's expert review, a national panel of independent experts, established by Congress under the auspices of the National Academy of Sciences' Committee on National Statistics, has been formed to also review and determine the reliability of these estimates. The results of this independent review are available from the Academy on its website.

*Comment:* A State TANF agency requested information concerning how the Census Bureau determines the child poverty rate, the formula, weighting of variables, and the definition of child poverty used. They believed this information would be useful in order to monitor and modify their TANF program to avoid negative impacts.

*Response:* We refer this commenter to the Census Bureau website. On its Internet site, the Census Bureau provides a wide range of information on families and children in poverty. It also provides an explanation of its methods, discusses the limitations of and problems encountered in its use of current methods, and describes steps being taken to improve future data collection.

*B. Use of the 80-Percent Confidence Level*

Background

The measurement of child poverty involves a process which employs samples taken from the general population to generate estimates. In this case, we use sample estimates produced by the Census Bureau to determine if an increase in the child poverty rate has occurred over a two-year period. This process of using samples results in some statistical uncertainty in each year's estimate of the child poverty rate. It is because of this statistical uncertainty that we cannot simply look at the difference in the observed poverty rate from one year to the next and determine that an increase of at least five percent occurred or did not occur. To overcome this statistical uncertainty, statisticians employ tests that incorporate a measure of error to better estimate a characteristic of a population.

In the NPRM, we proposed to use a statistical test at the 80-percent confidence level. We proposed the 80-percent confidence level for several reasons. First, we were attempting to strike a balance between falsely identifying a State as having a five percent increase in its child poverty rate when it did not and missing a five percent increase that truly did occur.

Second, we proposed that if a five percent or greater increase in the poverty rate had occurred, based on the Census Bureau's data and the statistical test, we asked that the State submit more recent Food Stamp administrative data to determine if there was a commensurate increase in the number of households with children participating in the Food Stamp Program. Finally, we reasoned that the direct consequence to a State of the identification of a five percent increase when in fact such an increase did not occur would be the preparation of an assessment of the impact of the TANF program on the increase and, possibly, a corrective action plan.

In the NPRM, we proposed a one-tailed statistical test because we were interested in determining if an increase in the child poverty rate occurred from one year to the next. There are three possible outcomes from comparing the child poverty rate from one year to the next: (a) There was an increase; (b) there was no change; and (c) there was a decrease. However, only an increase is relevant for purposes of this section of the Act. We, therefore, proposed using a one-tailed statistical test which only examines increases or decreases, but not both.

*Comments:* One national advocacy organization supported our use of the 80-percent confidence level, concurring with our statement in the NPRM that it would help protect children by decreasing the possibility that we would miss a significant change in a State's child poverty rate. They also supported the 80-percent confidence level as a useful tool in carrying out what they believed was the primary intent of section 413(i), *i.e.*, the protection of children.

Four State TANF agencies, however, disagreed with our proposed use of the 80-percent confidence level. Their general concern was that the lower confidence level would lead to a large number of States incorrectly identified as having experienced a five percent increase in child poverty. One State agency noted that, using an 80 percent confidence level, we could expect that, purely by chance, 10 (or 20 percent) of the States would show an increase in poverty when in fact they do not. At the 90-percent level, five States could be mistakenly identified as having an increase in poverty.

Another State agency observed that any State whose child poverty rate increased by five percent or more could maintain that the larger confidence level obscured any real fluctuation. In other words, an alleged increase could be the result of random fluctuation.

Still another State agency commented that the use of a one-tailed confidence interval test does not appear to take into account the error in both the previous year and the current year estimate.

Recommendations by these State agencies included:

- Increase the confidence level to 90 or 95 percent because these levels are used in much policy research, including the national welfare reform demonstrations sponsored by DHHS.
- Use, and clearly explain in the final rule, a statistical test that appropriately provides for the error in the previous and the current year estimates, *e.g.*, a difference of means or proportions test or a confidence interval around the difference in proportions.
- Make explicit in the final rule the possibility, magnitude, and the benefits of an incorrect identification of an increase in the child poverty rate.
- Explicitly state in the final rule the tradeoffs in choosing a particular confidence level, including the use of a "payoff matrix, computable by a statistician, using the standard errors from the model that will be used."

*Response:* After consideration of all comments on both the policy and technical issues, we have concluded that the intent of the statute and this section of the law will be served if we increased the level of statistical confidence from 80 to 90 percent while maintaining the use of a one-tailed Z-test for the difference of proportions. We believe that this choice will serve the needs of children while balancing the burden on the States.

First, we concur with the national advocacy organization that the use of the 80-percent confidence level is a useful way to assess the change in the child poverty rate for the purpose of the Act. At the same time, the State TANF agencies are correct in noting that, at the lower confidence level (80 percent as opposed to 90 or 95 percent), we can expect a larger number of findings of change that may be due to statistical variability and not true increases. Increasing the confidence level to 90 percent would reduce the likelihood that a State would be identified as having an increase in its child poverty rate when in fact the rate had not increased. We are aware, however, that this change leads to the possibility that we may miss a State where an increase actually did occur. However, on balance, we believe this change will provide more reliable data while protecting the well-being of the nation's children.

Second, we want to make explicit the statistical test we will employ to determine if a five percent or greater increase in a State's child poverty rates occurred. We use a Z-test for difference between proportions. This test uses the information for each year under consideration, including the point estimate of the child poverty rate for each year as well as the variance of the point estimate for each year. In addition, since the samples for the two years are not completely independent, the statistical test utilizes the variance of the difference between the point estimates for the two years.

Given that we have eliminated the step that proposed to rely on Food Stamp participation rate data to "rebut" an increase in the child poverty rate, a State found to have an increase of five percent in its child poverty rate would either accept the finding and provide an explanation of the role of TANF in the increase, or provide child poverty data from an independent source as an alternate to the Census Bureau's estimates.

*C. Interpretation of the Term "Five Percent Increase"*

In the NPRM, we proposed that the term "five percent increase," as specified in the statute, did not mean a five percentage point increase in child poverty. Rather, it meant that the most recent child poverty rate is at least five percent higher than the previous year's rate.

*Comment:* One State TANF agency, in commenting on the statistical concerns they had with our approach and the consequent burden on States of this approach, noted that there were "high risks" involved in trying to detect a small percentage change in the face of large errors in the estimation procedures. They asserted that Congress would not have wanted to impose a significant corrective action burden on States based on erroneous data. They believed Congress must have meant an increase of five percentage points.

*Response:* Based on our analysis, we believe that there is enough reliability in the poverty estimates that, using statistical techniques, we can make reasonable estimates of changes. We also believe that this is the clearest reading of the statute and is the interpretation intended by Congress, given the sources of data specified in the statute.

*D. Dissemination of the Census Bureau Data*

*Comment:* A commenter recommended that the final rule indicate when the child poverty rate will be sent to each State, on the assumption that the Census Bureau could reasonably specify a date by which the child poverty estimates would be available.

*Response:* The Census Bureau does not have a firm date for issuance of the child poverty estimates. Our plan is to make these data available to the States as soon as they are available from the Census Bureau.

*Comment:* One commenter made a recommendation for improved communication of the State child poverty rate data. In the NPRM, we proposed to distribute the child poverty rate to the Chief Executive Officer of each State. The commenter recommended that this information also be posted on the DHHS and Census Bureau websites, sent to "Kids Count" organizations in each State, and shared with research and advocacy organizations.

*Response:* We accept this recommendation in part. The Census Bureau's child poverty data are posted on the Census Bureau's website, and we will post this information on the ACF website. Because this information will thus be readily available, we do not plan to send it to other agencies and organizations.

*Section 284.21—What Will We Do if the State's Child Poverty Rate Increased Five Percent or More Over the Two-Year Period?*

This new section of the final rule is added for clarity. The content of this new section is derived from § 284.25(d) and (e) and § 284.30(a) of the NPRM and specifies the next steps in the process we will follow if the State's child poverty rate increased five percent or more over the applicable two-year period.

In this section, we provide that, if we determine that the State's child poverty rate increased by five percent or more over the two-year period (based either on the Census Bureau estimates or, if we accept them, the State's independent estimates), we will notify the State that it has 90 days from its receipt of our notification to submit an assessment of the impact of the TANF program(s) in the State on that increase. To provide flexibility, we have added an additional 30 days beyond the 60-day period proposed in the NPRM for States to submit the assessment.

We will also notify those States in which the child poverty rate did not increase five percent or more over the two-year period that no further information or action is required for the applicable two-year period.

*Proposed § 284.25—What Information Must the State Provide if the Estimate of the State's Child Poverty Rate Has Increased Five Percent or More Over the Two Year Period? (DELETED IN THE FINAL RULE)*

We deleted this section in the final rule.

In the NPRM, we proposed that, if a State's child poverty rate increased by five percent or more, the State could provide information to explain, indicate a subsequent improvement in, or "rebut" this increase. We proposed that the State must submit information on the number of households with children receiving food stamps. The State could also submit school nutrition information and/or an estimate of the State's child poverty rate derived from an independent source. Alternatively, the State could accept the Census Bureau estimate and move to the next step in the process, *i.e.*, to prepare an assessment of the relationship of the TANF program to the increase in child poverty.

We based this proposed step in § 284.25 on our assumption that, despite recent changes, the relationship between the child poverty rate and the food stamp participation rate continued to be a reasonably reliable one. We also proposed this step because we recognized the time lag in receipt of the child poverty estimates. We believed that a State whose child poverty rate increased during the period 1996–1997 should not necessarily be required to assess the relationship to the TANF program and develop a corrective action plan if, in 1998 or 1999, verifiable circumstances indicated that the rate or level of child poverty in the State had improved.

*Comments:* A majority of commenters strongly objected to this proposal in § 284.25, and almost all urged its deletion. They stated that there is no longer a direct relationship between the numbers of children in poverty and the numbers of children receiving food stamps. Some commenters also pointed out that recent declines in food stamp participation appear to reflect a decline in participation among those eligible for the program as well as a reduction in poverty. Other commenters found that the changes in the food stamp participation rate were related to the implementation of the TANF program, *e.g.*, that State practices, whether intended or unintended, had, indeed, affected the food stamp participation rate.

In addition, commenters expressed concern that using food stamp data to "rebut" increases in the child poverty rate could give States more incentive to ignore administrative problems that could lead to reduced food stamp participation among eligible families with children. Our proposed approach, they believed, could enable, if not encourage, States to avoid taking corrective action to address such administrative problems.

Several commenters also referred to recent national studies that found food stamp declines unexplained by unemployment or other factors and provided specific State data illustrating the lack of relationship in these two data sets over recent years.

A national organization also objected to this provision on the grounds that it presented difficult administrative and reporting burdens for States. This organization and a State TANF agency also objected to the proposed requirement to report on any changes in food stamp policy and procedures, including changes made at the national level, that have affected the food stamp participation rate. (§ 284.25(c)(3) of the NPRM.) They believed that this provision was extremely broad and amorphous and would be both burdensome and costly to States.

*Response:* After further research and analysis, we agree with these general comments on § 284.25 and have deleted this section from the final rule.

*Comment:* One national organization recommended that, instead of using food stamp data to explain or "rebut" an increase in child poverty, the final rule should require that States provide data on: (1) The number of families receiving TANF cash payments; (2) the total amount of State spending on TANF cash payments; and (3) the numbers of families and families with children participating in the food stamp program.

*Response:* We agree that the recommended information may potentially be valuable in assessing the relationship of the TANF program(s) in the State to any increase in child poverty. Rather than using these recommended data as part of a "rebuttal" process, however, we have added the three recommended items to § 284.30(b) as information a State may wish to submit as part of its assessment of the impact of the TANF program on the increase in child poverty.

*Comment:* Another national organization recommended that the final rule require States to submit data on the employer-reported earnings levels of TANF leavers, *e.g.*, Unemployment Insurance wage record data. (These data are similar to the data provided by States competing for the high performance bonus.) This commenter believed these data would be highly relevant to evaluating the poverty rate in the State. They also recommended that the final rule inform States that submitting multi-year Unemployment Insurance wage record data would be an appropriate and meaningful way to show that an increase in child poverty is not the result of the TANF program.

*Response:* We agree that the Unemployment Insurance wage record data may be valuable in assessing the possible impact of TANF on State child poverty, and we have added this information in § 284.30(b).

*Comment:* Two commenters agreed with our recognition of the limited usefulness of the school nutrition information (in assessing the relationship between child poverty and the TANF program(s)) and supported our proposal in the NPRM to make this information optional.

*Response:* We have continued to make the school nutrition information optional as a part of the State's assessment in § 284.30.

*Section 284.30—What Information Must the State Include in Its Assessment of the Impact of the TANF Program(s) in the State on the Increase in Child Poverty?*

If a State's child poverty rate increased by five percent or more, we proposed in the NPRM that the State must make an assessment of the impact of the TANF program on the increase in the child poverty rate, covering the same two-year period for which an increase in child poverty was identified. We proposed that the State must submit the assessment, and the information on which the assessment was based, within 60 days. We also listed examples of suggested information and evidence the State might want to include in its assessment.

*Comments:* Most commenters agreed with our proposal to allow States the flexibility to base their assessment on a wide range of information, including data from other assistance programs, State economic conditions, etc.

*Response:* We have continued the same general approach in this section as we proposed in the NPRM, but we have made the following changes for additional clarity, specificity, flexibility and in response to comments:

- Retained the requirements that the assessment must cover the same two-calendar-year period as the Census Bureau estimates provided to the State and include the information on which the assessment was based;
- Added, in paragraph (a), that the assessment must directly address the issue of whether the State's child poverty rate increased as a result of the TANF program(s) in the State and include the State's analysis, explanation, and conclusions in relation to this issue to help assure a high quality, focused assessment;
- Provided an expanded list of examples of data and information the State may include in its assessment, including examples of information from Tribal TANF programs; and
- Allowed States 90 days (an additional 30 days beyond the 60 days proposed in the NPRM) to submit the assessment.

*Comment:* One commenter read the statute as requiring only actions initiated by the State, i.e., the State must specify whether the State's child poverty rate increased by five percent or more and, if so, it must develop a corrective action plan. This commenter objected to the proposed assessment process as beyond the scope of the law.

*Response:* We believe that section 413(i)(2) of the Act requires the assessment of, and some conclusion regarding, the impact of the TANF program(s) in the State on the child poverty rate before a State moves to develop a corrective action plan. We do not read the statute to require that all States that experience a five percent increase or more in child poverty must develop such a plan—only those where the increase was a result of the TANF program(s) in the State.

However, if a State objects to the assessment process and wishes to conclude that the increase in the child poverty rate is due to, or is the result of, the TANF program(s) in the State, without any analysis or assessment, the State may skip the assessment process and prepare a corrective action plan.

*Comment:* One commenter objected to our flexible approach to the assessment process on the assumption that asking a State to report on whether its TANF policies contributed to an increase in child poverty put the State in an untenable, conflict-of-interest position. They doubted that any State would self-report any actions that would jeopardize its current practices or policies, particularly those policies related to caseload reduction. They also believed that it would be easy for a State to point to other factors (*e.g.*, economic circumstances) as the primary reason for increases in child poverty.

*Response:* We recognize the commenter's concern, but we decline to be more prescriptive in our requirements. As we said in the preamble to the NPRM, it is the Department's responsibility to determine whether a State's child poverty rate increased as a result of the TANF program(s) in the State. This is a responsibility we take seriously. Thus, we proposed, in the NPRM, that we would consider not only the information the State submitted in its assessment, but also other information that is readily available, such as State TANF plan provisions, eligibility requirements, benefit levels, TANF expenditures, and other factors.

We also expect that States will take this responsibility seriously. We know States are concerned with the well-being of their citizens, and some are actively addressing issues of poverty, frequently in cooperation with other public and private agencies. We also know that there is much public concern and attention focused on the issue of child poverty by the media, researchers, advocacy organizations, and Congress. We expect that the States will respond to this provision by providing a thorough and reasoned analysis and assessment.

*Section 284.35—What Action Will We Take in Response to a State's Assessment and Other Information?*

In the NPRM, § 284.35 was titled, "How will the methodology for the Territories differ?". The section in the final rule regarding the Territories is now numbered § 284.50. We have created a new § 284.35 in the final rule. The content of this new section is taken from paragraphs (b) and (c) of § 284.30 of the NPRM. In the NPRM, these paragraphs proposed that we would review the State's assessment, along with other available information; make a determination whether the child poverty rate increased at least five percent as a result of the TANF program(s) in the State; and notify the State whether a corrective action plan was required.

*Comment:* One commenter asked that we specify in the final rule how a State (or DHHS) should (or will) attribute any increase in child poverty to the TANF program. They asked that we specify what formula for computation we would use, what criteria we would use, and how States should weight the numerous variables (both TANF and non-TANF related) in the formula that might contribute to such an increase.

*Response:* We have not specified a computation formula, established criteria, or identified variables for the State assessment process because we do not believe we could, in advance, specify exactly how DHHS will review and evaluate a State's assessment. We believe that a process that relies on analysis, evaluation, and judgment will be more likely to reflect reality rather than a computation formula or weighting of variables. This analysis and judgment will be particularly important when a variety of factors, including the TANF program, may have resulted in the increase in child poverty. Our plan is to work cooperatively with States in reviewing the assessment information and making a final determination on whether a corrective action plan is required. It is not our intention to require a corrective action plan when the TANF program is only a minimal cause of the increase in the State's child poverty rate.

We have made no substantive changes, but we have modified the language in this section for clarity.

*Section 284.40—When Is a Corrective Action Plan Due?*

In the NPRM, we proposed that a corrective action plan is required only for those States and Territories whose child poverty rate increased by five percent or more as a result of TANF. We also proposed that the State and Territory must submit the plan within 90 days of the date we notify it of our determination that such a relationship exists between the TANF program and the child poverty rate.

*Comment:* One commenter supported a 90-day timeframe for submitting the corrective action plan.

*Response:* We have made no changes to this section of the final rule.

*Section 284.45—What Are the Contents and Duration of a Corrective Action Plan?*

In the NPRM, we proposed in paragraph (a) that the corrective action plan must outline the manner in which the State or the Territory will reduce child poverty in the State and included a description of the actions to be taken by the State or Territory under such a plan.

We proposed in paragraph (b) that the State or Territory must implement the corrective action plan until it determines that the child poverty rate in the State is less than the lowest child poverty rate on the basis of which the State was required to submit the corrective action plan.

*Comment:* One commenter supported our proposal to allow States the flexibility to design the content of their corrective action plans as States are best able to determine which methods will work best for reducing child poverty within their boundaries. Another commenter recommended that this section be revised to require corrective action plan content specific to affected States, based on Federal site visits and monitoring of States. They believed that, as proposed, this section was weak and ineffective. Also, if a State were allowed to develop its own corrective action plan, it would merely be a "paper exercise."

*Response:* The Act does not provide express authority for us to prescribe regulations regarding the content of the corrective action plan. We believe, however, that States will take the requirement to develop a corrective action plan seriously, not only because of concern for the issues affecting the well-being of families and children but also, in part, because of the attention being given to this issue by the media and a wide range of external organizations. We have made no change in this section of the final rule in response to this comment.

*Comment:* One commenter was concerned that there was no penalty currently assigned to this section of the regulations. The commenter believed that it would be extremely awkward for a State to agree to a corrective action plan only to have a penalty assigned at a later date.

*Response:* There was no penalty proposed in the NPRM because there was no penalty included in section 413(i) of the Act. Given the limited Federal regulatory and enforcement authority under the TANF program, we have not included a penalty provision. However, we will monitor the State's actions and timelines under the plan. We also expect that interested national, State, and local organizations will monitor State progress in this matter as well.

We want to clarify that the corrective action plan is not intended to be based on or cover the two-year period in which an increase in the child poverty rate was identified. Rather, we anticipate that the State's corrective action plan would include both past efforts and current activities aimed at reducing child poverty.

We have made several changes in this section of the final rule. In § 284.45(a), we added language regarding the inclusion in the corrective action plan of any action steps that will be taken by the Tribes (or consortia of Tribes) under the plan. We also added a requirement in paragraph (b) that the State notify us when it determines that it is no longer required to implement the corrective action plan. Finally, for clarification, we added a definition of the term "lowest child poverty rate" in paragraph (b) and specified that the State must use the methodology in § 284.20 in determining when a corrective action plan is no longer required to be implemented.

We took the definition of the term "lowest child poverty rate" and the following explanatory language from the preamble to the NPRM regarding the duration of the corrective action plan (see 63 FR 50844).

> Section 413(i)(4) of the Act requires that the State implement the corrective action plan "until the State determines that the child poverty rate in the State is less than the lowest child poverty rate on the basis of which the State was required to submit the corrective action plan."
>
> The "lowest child poverty rate" means the five percent threshold above the first year in the two-year comparison period. For example, a State with a 20 percent child poverty rate in the first year of the two-year comparison period would have a five percent threshold of 21 percent and would be required to implement its corrective action plan until its child poverty rate dropped below 21 percent.

By specifying that the State must use the methodology in § 284.20 in determining the duration of the corrective action plan, we intend to clarify that the State may use either the

Census Bureau data or an independent estimate of the child poverty rate.

*Section 284.50—What Information Will We Use To Determine the Child Poverty Rate in Each Territory? (§ 284.35 of the NPRM)*

The Census Bureau produces annual estimates of the child poverty rate in each of the 50 States and the District of Columbia. However, the Census Bureau does not develop poverty estimates for the Territories. Therefore, in § 284.35 of the NPRM, we proposed that each Territory must, annually, beginning in 1998 (for calendar year 1996), submit to ACF certain food stamp or other data on which we would calculate a child poverty rate. We also proposed a process similar to the proposed State process for determining whether the child poverty rate increased by five percent or more between the applicable years. Finally, we specified the actions and information we would require if the child poverty rate increased by five percent or more as a result of the TANF program.

"Territories" are defined, for the purposes of this part, as American Samoa, Guam, Puerto Rico, and the United States Virgin Islands. At the present time, this part applies to all of these jurisdictions except American Samoa, which has not applied to operate a TANF program. When it does so, the provisions of this part will apply to it as well.

We received no comments on § 284.35 of the NPRM or how we proposed to determine a child poverty rate for the Territories. We did, however, receive comments critical of our proposed use of State food stamp data in rebutting the increase in child poverty (in § 284.25). These comments caused us to re-evaluate our use of food stamp data as the basis for calculating a child poverty rate for the Territories.

During the development of the final rule, we had numerous discussions with the Census Bureau and others in an attempt to identify reliable child poverty data for the Territories, but we were unsuccessful. Therefore, we have revised § 284.50 to postpone, temporarily, the determination of a child poverty rate for these jurisdictions. However, we are committed to applying the provisions of section 413(i) to both States and Territories. We specify, in paragraph (a) that our intent is to apply the same requirements and procedures to the Territories as to the States. We specify in § 284.50(b) that we will estimate the number of children in poverty in these jurisdictions when reliable data are available.

## V. Regulatory Impact Analyses

### *A. Executive Order 12866*

Executive Order 12866 requires that regulations be drafted to ensure that they are consistent with the priorities and principles set forth in the Executive Order.

The Department has determined that this rule is consistent with these priorities and principles. This rulemaking implements statutory authority based on broad consultation and coordination. It also reflects our response to comments received on the NPRM issued on September 23, 1998.

The Executive Order encourages agencies, as appropriate, to provide the public with meaningful participation in the regulatory process. As described elsewhere in the preamble, ACF consulted with State and local officials, their representative organizations, researchers, a broad range of technical and interest group representatives, and others to obtain their views prior to the publication of the NPRM.

To a considerable degree, the NPRM reflected the information provided by, and the recommendations of, the groups with whom we consulted. We also carefully considered and have accepted and/or responded to the comments received in response to the NPRM.

This final rule also reflects the intent of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to achieve a balance between granting States the flexibility they need to develop and operate effective and responsive programs and ensuring that they meet the objectives of the statute. The limited scope of this regulation is also consistent with the provisions of the statute and Administration policy as articulated in Executive Order 12866 and its Regulatory Reinvention Initiatives.

The Department has determined that this rule is significant under the Executive Order. The Office of Management and Budget has reviewed this rule. This rule is not a major rule under the Small Business Regulatory Enforcement Fairness Act of 1996.

We have estimated the maximum annualized Paperwork Reduction Act costs to be approximately $454,118. This is clearly an upper limit on what the costs would be if all States were required to respond to all requirements. Thus, as discussed in section D below, this figure is an over-estimate of the expected costs.

In assessing the potential costs and benefits—both quantitative and qualitative—of these final regulations, the Secretary has determined that the benefits of these regulations justify the costs. The Secretary has also determined that this regulatory action does not unduly interfere with State, local, and Tribal governments in the exercise of their governmental functions.

### *B. Regulatory Flexibility Analysis*

The Regulatory Flexibility Act (5 U.S.C. 603, 605) requires the Federal government to anticipate and reduce the impact of rules and paperwork requirements on small businesses and other small entities. Small entities are defined in the Regulatory Flexibility Act to include small businesses, small non-profit organizations, and small governmental agencies. This rule will immediately affect the 50 States and the District of Columbia. It will affect the Territories in the future, when reliable Census Bureau data on child poverty in the Territories are available. Therefore, the Secretary certifies that this rule will not have a significant impact on small entities.

### *C. Assessment of the Impact on Family Well-Being*

We certify that we have made an assessment of this rule's impact on the well-being of families, as required under section 654 of The Treasury and General Government Appropriations Act of 1999. The overall aim of the TANF program is to strengthen the economic and social stability of families. The purpose of this rule is to monitor annual estimates of child poverty in the States (and, in the future, the Territories); assess the impact of the TANF program(s) on an increase in child poverty of five percent or more; and require the development of a corrective action plan, if indicated. We believe that the well-being of families will be enhanced by this rule.

### *D. Paperwork Reduction Act*

This rule contains three information collection requirements. These requirements were reviewed and approved by the Office of Management and Budget (OMB) at the NPRM stage on December 2, 1998, under the Paperwork Reduction Act of 1995 (OMB control number 0970–0186). This data collection approval expires on November 30, 2001. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

To the extent possible, this rule relies on existing data sources. We will obtain data on child poverty from the Census Bureau for the 50 States and the District of Columbia. We have postponed implementing the provisions of this final rule for the Territories until reliable Census Bureau data on child poverty in the Territories are available.

The three information collection activities in the final rule are: (1) As an optional provision, a State or Territory may provide an alternative estimate of the child poverty rate (§ 284.20(c)); (2) a State or Territory may be required to conduct and submit an assessment of the impact of the TANF program(s) in the State or Territory on the increase in the child poverty rate (§ 284.30 and § 284.50); and (3) a State or Territory may be required to submit a corrective action plan (§ 284.40, § 284.45 and § 284.50). These information collection requirements were approved at the NPRM level. We received no comments on the burden as proposed in the NPRM.

The annual burden estimates include any time involved compiling and abstracting information, analyzing and evaluating information, assembling materials necessary to provide the requested information, obtaining clearance, and transmitting the information.

Prior to the development of this estimate, we researched the burden estimates for similar OMB-approved data collections in our inventory and those pending OMB approval and consulted with knowledgeable Federal officials.

The 50 States and the District of Columbia are the immediate potential respondents to the information collection requirements in this rule. These jurisdictions may, at their option, submit an estimate of child poverty from an independent source. They may also be required to submit an assessment and a corrective action plan. We will not implement these information collection activities for the Territories until we have reliable child poverty data for these jurisdictions, but we have included Puerto Rico, Guam, and the Virgin Islands in the burden calculation as they will be respondents in the future.

We have increased the estimated total annual burden from 15,240 hours in the NPRM to 15,552 hours in the final rule. This change reflects the elimination of the requirement that the Territories provide data for us to compute an estimate of their child poverty rate (§ 284.35 of the NPRM); the elimination of the requirement that States provide food stamp data and other data to explain or rebut an increase in the State's child poverty rate (§ 284.25 of the NPRM); the addition of 8 hours per respondent for the optional submission of data on a State's child poverty rate from an independent source (§ 284.20(c) of the final rule); and an increase in the estimated burden hours for a State to develop and submit an assessment of the impact of TANF on the child poverty rate from 80 hours per respondent in the NPRM to 120 hours in the final rule (§ 284.30 of the final rule).

The annual burden estimates for each of the three data collections are:

| Instrument or requirement | Number of respondents | Number of responses per respondent | Average burden hours per response | Total burden hours |
|---|---|---|---|---|
| Optional Submission of Data on Child Poverty from an Independent Source (§ 284.20(c)) | 54 | 1 | 8 | 432 |
| Assessment of the Impact of TANF on the Increase in Child Poverty (§ 284.30 and § 284.50) | 54 | 1 | 120 | 6,480 |
| Corrective Action Plan (§ 284.40, § 284.45, and 284.50) | 54 | 1 | 160 | 8,640 |
| Estimated Total Annual Burden Hours | | | | 15,552 |

We have estimated the burden hours for each information collection activity in part 284 as though they applied to all jurisdictions for ease of discussion and public review. This is clearly an over-estimate. We do not expect that all States (or Territories) will opt to provide an alternate estimate of child poverty derived from an independent source. We expect that no more than a few States (or Territories) will experience an increase of five percent or more in their child poverty rates and will need to submit an assessment in relation to the TANF program; and only a few States (or Territories) will be required to submit a corrective action plan.

We estimate the annualized cost of the hour burden to be $454,118. Again, this is an over-estimate. It is based on an estimated average hourly wage of $29.20 (including fringe benefits, overhead, and general and administrative costs) for the State staff performing the work multiplied by the estimated 15,552 burden hours.

We expect that no capital/start-up costs and operation/maintenance costs will be required as a result of a State or Territory's implementation of this part. No systems modifications should be required and much of the information that States may submit as a part of their assessment is pre-existing information or available from other State executive branch agencies or research sources. Therefore, we do not anticipate any significant costs beyond the annualized cost of the hour burden noted above.

We considered all comments by the public in:

- Evaluating whether the collections are necessary for the proper performance of our functions, including whether the information will have practical utility;
- Evaluating the accuracy of our estimate of the burden of the collections of information, including the validity of the methodology and assumptions used, and the frequency of collection;
- Enhancing the quality, usefulness, and clarity of the information to be collected; and
- Minimizing the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technology, *e.g.*, the electronic submission of responses.

### *E. Unfunded Mandates Reform Act of 1995*

Section 202 of the Unfunded Mandates Reform Act of 1995 requires that a covered agency prepare a budgetary impact statement before promulgating a rule that includes any Federal mandate that may result in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of $100 million or more in any one year.

If a covered agency must prepare a budgetary impact statement, section 205 further requires that it select the most cost-effective and least burdensome alternative that achieves the objectives of the rule and is consistent with the statutory requirements. In addition, section 203 requires a plan for informing and advising any small government that may be significantly or uniquely impacted by the rule.

We have determined that this rule will not result in the expenditure, in the aggregate, by State, Territorial, local, and Tribal governments, or by the private sector, of more than $100 million in any one year. Accordingly, we have not prepared a budgetary impact statement, specifically addressed the regulatory alternatives considered, or prepared a plan for informing and advising any significantly or uniquely impacted small government.

*F. Congressional Review*

This rule is not a "major" rule as defined in 5 U.S.C., Chapter 8.

*G. Executive Order 13132*

On August 4, 1999, the President issued Executive Order 13132, "Federalism." The purposes of the Order are: "to guarantee the division of governmental responsibilities between the national government and the States that was intended by the Framers of the Constitution, to ensure that the principles of federalism established by the Framers guide the executive departments and agencies in the formulation and implementation of policies, and to further the policies of the Unfunded Mandates Reform Act * * *."

We certify that this final rule does not have a substantial direct effect on States, on the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government. The final rule does not pre-empt State law and does not impose unfunded mandates.

This rule does not contain regulatory policies with federalism implications which would require specific consultations with State and local elected officials. However, during the development of the NPRM, we held two types of consultations. First, we raised issues related to this provision in the general TANF consultation meetings with representatives of State and local governments; nonprofit, advocacy, and community organizations; foundations; and others. Second, we held consultations focussed specifically on this provision on May 30, 1997, and September 4, 1997, with national organizations representing State and local elected officials; technical, statistical, and policy experts; and research, advocacy, and public interest organizations that focus on poverty and child well-being.

We sent invitations to the May 30 meeting (along with a list of policy issues proposed for discussion) to, among others: The National Governors' Association (NGA), the National Conference of State Legislatures (NCSL), the National Association of Counties, the National League of Cities, and the United States Conference of Mayors. In addition to these groups, invitations to the September 4 meeting were also sent to the National Black Caucus of State Legislators and the National Organization of Black County Officials. Based on our records, representatives of NGA and NCSL attended both meetings.

**List of Subjects in 45 CFR Part 284**

Grant programs—Social programs, Public Assistance programs; Poverty; Reporting and recordkeeping requirements.

(Catalogue of Federal Domestic Assistance Programs: 93.558 Temporary Assistance for Needy Families; 93.559 Federal Loans for State Welfare Programs; 93.594 Tribal Work Grants; and 93.595 Welfare Reform Research, Evaluations and National Studies.)

Dated: February 11, 2000.

**Olivia A. Golden,**

*Assistant Secretary for Children and Families.*

Approved: March 27, 2000.

**Donna E. Shalala,**

*Secretary, Department of Health and Human Services.*

For the reasons set forth in the preamble, we are amending 45 CFR Chapter II by adding part 284 to read as follows:

## PART 284—METHODOLOGY FOR DETERMINING WHETHER AN INCREASE IN A STATE OR TERRITORY'S CHILD POVERTY RATE IS THE RESULT OF THE TANF PROGRAM



**Authority:** 42 U.S.C. 613(i)

### § 284.10 What does this part cover?

(a) This part describes the methodology for determining the child poverty rates in the States and the Territories, as required by section 413(i) of the Social Security Act, including determining whether the child poverty rate increased by five percent or more as a result of the TANF program(s) in the State or Territory. It also describes the content and duration of the corrective action plan.

(b) The requirements of this part do not apply to any Territory that has never operated a TANF program.

### § 284.11 What definitions apply to this part?

The following definitions apply to this part:

*ACF* means the Administration for Children and Families.

*Act* means the Social Security Act, unless otherwise specified.

*Census Bureau methodology* means the various methods developed by the Census Bureau for estimating the number and percentage of children in poverty in each State. These methods may include national estimates based on the Current Population Survey; the Small Area Income and Poverty Estimates; the annual demographic programs, including the American Community Survey; or any other programs or methods used by the Census Bureau to estimate poverty.

"Children in poverty" means children that live in families with incomes below 100 percent of the Census Bureau's poverty threshold.

*Child poverty rate* means the percentage of all children in a State or Territory which live in families with incomes below 100 percent of the Census Bureau's poverty threshold.

*Date of enactment* means calendar year 1996.

*MOE* means maintenance-of-effort. This is a provision in section 409(a)(7) of the Social Security Act that requires States to maintain a certain level of spending based on historical (*i.e.*, FY 1994) expenditure levels.

*SAIPE* means the Small Area Income and Poverty Estimates, a methodology developed by the Census Bureau to obtain more accurate estimates of poverty and income (including the number and percentage of children in poverty) at the State and county level between decennial censuses.

*SSP-MOE* means a separate State program operated outside of the TANF program for which the expenditure of State funds may count for MOE purposes.

*State* means each of the 50 States of the United States and the District of Columbia.

*TANF* means the Temporary Assistance for Needy Families program under sections 401 through 419 of the Social Security Act, as enacted by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, sections 101–116 of Pub. L. 104–193 (42 U.S.C. 601–619).

*Territories* means American Samoa, the Commonwealth of Puerto Rico, Guam, and the United States Virgin Islands.

*Tribal TANF program* means a TANF program developed by an eligible Tribe, Tribal organization, or consortium of Tribes, and approved by us under section 412 of the Act.

*We (and any other first person plural pronouns)* means the Secretary of Health and Human Services or any of the following individuals and organizations acting in an official capacity on the Secretary's behalf: The Assistant Secretary for Children and Families, the Regional Administrators for Children and Families, the Department of Health and Human Services, and the Administration for Children and Families.

**§ 284.15 Who must submit information to ACF to carry out the requirements of this part?**

(a) The Chief Executive Officer of the State, or his or her designee, is responsible for submitting to ACF the information required by this part.

(b) The State should obtain information from and work with the Indian tribe(s) (and Tribal consortia) operating a Tribal TANF program in the State in preparing and submitting the assessment, as specified in § 284.30, and the corrective action plan, as specified in § 284.45.

**§ 284.20 What information will we use to determine the child poverty rate in each State?**

(a) *General*

We will determine the child poverty rate in each State based on estimates from either the Census Bureau or the State, as described in this section. Each year we will use these data to determine the change in the State's child poverty rate over a two-year period, beginning with calendar years 1996 and 1997.

(b) *Estimates from the Census Bureau*

(1) Annually, we will obtain from the Census Bureau and provide to each State the estimate of the number and percentage of children in poverty in each State. The estimate will be based on the Census Bureau methodology.

(2) In 2000, and annually thereafter, we will determine for each State, at the 90-percent confidence level, the percentage change in the child poverty rate and provide this information to the State. The determination of percentage change in 2000 will cover the change between calendar years 1996 and 1997.

(c) *Estimates from the State*

(1) As an alternative to the Census Bureau estimates provided to the State under paragraph (b) of this section, the State may provide to us data on child poverty in the State derived from an independent source.

(2) If the State provides data on child poverty as described in paragraph (c)(1) of this section, it must:

(i) Provide an estimate of the child poverty rate for the same two calendar years as the Census Bureau estimates provided to the State under paragraph (b)(2) of this section;

(ii) Provide the change in the child poverty rate for the applicable two-calendar-year period at the 90-percent confidence level;

(iii) Use the official definition of poverty as used by the Census Bureau; and

(iv) Describe the methodology used to develop its independent estimates, the sources of data and methodology for collecting the data, any known problems associated with making estimates of this type, the estimate of the standard error, and the power of the sample to detect a five percent change in the child poverty rate.

(3) The State must submit its independent estimates and supporting information within 45 days of the date the State receives the Census Bureau estimates as described in paragraph (b) of this section.

(d) *Determination of the State's child poverty rate*

(1) If we determine that the State's independent estimates of the child poverty rate are more reliable than the Census Bureau estimates, we will accept these estimates.

(2) For all other States, we will determine the State's child poverty rate based on the Census Bureau's estimates.

**§ 284.21 What will we do if the State's child poverty rate increased five percent or more over the two-year period?**

(a) If we determine, based on § 284.20, that the State's child poverty rate did not increase by five percent or more over the applicable two-year period at the 90-percent confidence interval, we will:

(1) Conclude that the State has satisfied the statutory requirements of section 413(i) of the Act; and

(2) Notify the State that no further information from or action by the State is required for the applicable two-calendar-year period.

(b) If we determine, based on § 284.20, that the State's child poverty rate increased by five percent or more over the applicable two-year period at the 90-percent confidence level, we will notify the State that it has 90 days from the date of its receipt of our notification to submit an assessment of the impact of the TANF program(s) in the State, as specified in § 284.30.

**§ 284.30 What information must the State include in its assessment of the impact of the TANF program(s) in the State on the increase in child poverty?**

(a) The State's assessment must:

(1) Cover the same two-calendar-year period as the Census Bureau estimates provided to the State in § 284.20(b)(2);

(2) Directly address the issue of whether the State's child poverty rate increased as a result of the TANF program(s) in the State and include the State's analysis, explanation, and conclusions in relation to this issue; and

(3) Include the information on which the assessment was based.

(b) The State's assessment may be supported by any materials the State believes to be pertinent to its analysis, explanation, and conclusions. The following are examples of such materials:

(1) The number of families receiving TANF cash assistance payments under the State TANF program and, if applicable, the Tribal TANF program(s);

(2) The total amount of State and Tribal spending on TANF cash assistance payments;

(3) The number and/or percentage of eligible families with children in the State who are participating in the Food Stamp Program or other State supportive and assistance programs;

(4) The proportion of students certified for free or reduced-price school lunches;

(5) TANF income eligibility rules that show that client participation was not limited or cash benefits did not decrease;

(6) Examples of efforts that the State and the Indian tribe(s), as appropriate, have taken using TANF and other funds to support families entering the work force;

(7) The percentage of eligible individuals in the State receiving TANF assistance;

(8) Information on TANF program participation such as the number of applications disapproved or denied, or cases sanctioned;

(9) The number of TANF cases closed as a result of time-limit restrictions or non-compliance with work requirements;

(10) The amount of total cash assistance expenditures that can be claimed for SSP–MOE purposes;

(11) Information based on Unemployment Insurance wage record

data showing, for example, increases in the number of TANF participants entering jobs, retaining jobs, and increasing their earnings;

(12) The number of families receiving work subsidies, *i.e.*, payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training;

(13) Information that a State met the definition of "needy State" under section 403(b)(6) of the Act for an extended period of time within the applicable two-calendar-year period;

(14) Examples of past efforts that the State and the Indian tribe(s), as appropriate, have taken to mitigate or address child poverty;

(15) Any other data on the TANF program(s) in the State that would support the State's conclusions; and

(16) Information on other circumstances in the State that may have contributed to the increase in child poverty such as changes in economic or social conditions, *e.g.*, an increase in the State's unemployment rate.

**§ 284.35 What action will we take in response to the State's assessment and other information?**

(a) We will review the State's assessment along with other available information. If we determine that the increase in the child poverty rate of five percent or more is not the result of the TANF program(s) in the State, we will notify the State that no further information from, or action by, the State is required for the applicable two-calendar-year period.

(b) Based on our review of the State's assessment and other information, if we determine that the increase in the State's child poverty rate of five percent or more is the result of the TANF program(s) in the State, we will notify the State that it must submit a corrective action plan as specified in §§ 284.40 and 284.45.

**§ 284.40 When is a corrective action plan due?**

Each State must submit a corrective action plan to ACF within 90 days of the date the State receives notice of our determination that, as a result of the TANF program(s) in the State, its child poverty rate increased by five percent or more for the applicable two-calendar-year period.

**§ 284.45 What are the contents and duration of the corrective action plan?**

(a) The State must include in the corrective action plan:

(1) An outline of the manner in which the State or Territory will reduce its child poverty rate;

(2) A description of the actions it will take under the plan; and

(3) Any actions to be taken under the plan by the Indian tribe(s) (or Tribal consortia) operating a TANF program in the State.

(b) The State must implement the corrective action plan until it determines and notifies us that its child poverty rate, as determined in § 284.20, is less than the lowest child poverty rate on the basis of which the State was required to submit the corrective action plan. The "lowest child poverty rate" means the five percent threshold above the first year in the two-year comparison period.

**284.50 What information will we use to determine the child poverty rate in each Territory?**

(a) Our intent is that, to the extent that reliable data are available and the procedures are appropriate, the Territories must meet the requirements in §§ 284.11 through 284.45 as specified for the 50 States and the District of Columbia.

(b) When reliable Census Bureau data are available for the Territories, we will:

(1) Notify the Territories through guidance of our intent to use these data in the implementation of this part; and

(2) Begin the process by providing to each Territory the number and percent of children in poverty in each jurisdiction, as specified in § 284.20(b).

[FR Doc. 00–15714 Filed 6–22–00; 8:45 am]
BILLING CODE 4184–01–U

[Federal Register: September 23, 1998 (Volume 63, Number 184)]
[**Proposed** Rules]
[Page 50837-50848]
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[[Page 50837]]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

45 CFR Part 284

RIN 0970-AB65

Methodology for Determining Whether an Increase in a State's **Child Poverty** Rate Is the Result of the **TANF** Program

AGENCY: Administration for Children and Families, HHS.

ACTION: **Proposed** rule.

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SUMMARY: The Administration for Children and Families is proposing a methodology to determine the **child poverty** rate in each State. If a State experiences an increase in its **child poverty** rate of 5 percent or more as a result of its Temporary Assistance for Needy Families (**TANF**) program, the State must submit and implement a corrective action plan. This requirement is a part of the new welfare reform block grant program enacted in 1996.

DATES: You must submit comments by November 23, 1998. We will not consider comments received after this date in developing the final rule.

ADDRESSES: You may mail or hand-deliver comments to the Administration for Children and Families, Office of Planning, Research and Evaluation, 370 L'Enfant Promenade SW, 7th Floor West, Washington, DC 20447. You may also transmit comments electronically via the Internet. To transmit comments electronically, or download an electronic version of the **proposed** rule, you should access the ACF Welfare Reform Home Page at http://www.acf.dhhs.gov/news/welfare and follow the instructions provided.

We will make all comments available for public inspection at the Office of Planning, Research and Evaluation, 7th Floor West, 901 D Street, SW, Washington, DC 20024, from Monday through Friday between the hours of 9 a.m. and 4 p.m. (This is the street address as opposed to the mailing address above.)

We will only accept written comments. In addition, all your comments should:

<bullet> Be specific;
<bullet> Address only issues raised by the **proposed** rule;
<bullet> Where appropriate, propose alternatives;
<bullet> Explain reasons for any objections or recommended changes; and
<bullet> Reference the specific section of the **proposed** rule that you are addressing.

WtW Census grant
- DOL release

$20 million grant
Goodwill and
Census 2000

3RD STORY of Level 1 printed in FULL format.


U.S. Newswire

September 28, 1999 11:34 Eastern Time

SECTION: NATIONAL DESK, LABOR REPORTER

LENGTH: 1029 words

HEADLINE: White House, Commerce and Labor Departments Announce Census 2000 Jobs for Welfare Recipients

BYLINE: Chung Seto of the U.S. Department of Labor, 202-693-4650, or Karen A. Cowles of the U.S. Department of Commerce, 202-482-1523; Web sites: http://www.dol.gov http://www.doc.gov

DATELINE: WASHINGTON, Sept. 28

BODY:
The White House along with the U.S. Departments of Commerce and Labor today announced that Goodwill Industries International will receive a $20 million grant to recruit and train up to 10,000 welfare recipients as enumerators for Census 2000.

Goodwill will work with the nation's 520 local cens us offices to recruit welfare recipients, provide them job readiness training, coordinate support services for them and find them permanent jobs when the temporary census work ends. Goodwill was selected competitively for the grant from Welfare-to-Work funds, which are administered by Labor.

"This Welfare-to-Work grant is a classic win-win proposition," said White House Chief of Staff John Podesta. "It will help welfare recipients living in the poorest communities gain valuable work experience and move into permanent jobs, while helping to make sure everyone in these communities gets counted in the 2000 Census."

"Welfare-to-Work is succeeding because of innovative ideas and partnerships like this one," said Secretary of Labor Alexis M. Herman. " Goodwill Industries is well suited for this project, with its locations throughout the country and its knowledge of various communities. With Goodwill's help, these new workers will get training, support services such as child care and transportation, and permanent jobs."

Commerce Secretary William M. Daley said, "Census 2000 will employ 860, 000 workers, the largest peacetime mobilization in our nation's history. These 10,000 welfare recipients will play a key role in reaching traditionally undercounted populations, particularly low-income individuals and minorities. I am pleased that the Department of Labor has joined us in this unprecedented recruitment effort that will open new opportunities for welfare recipients."

The Census Bureau will provide the workers on-the-job training and pay them at local rates ranging from about $8 to $20 per hour. The jobs will last eight to 12 weeks, beginning in April 2000.

The Administration's proposal to reauthorize the Welfare-to-Work program with an additional $1 billion will support innovative efforts that help more long-term welfare recipients and low-income fathers move into lasting, unsubsidized employment and support their families.

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U.S. Labor Department news releases are accessible on the Internet at: http://www.dol/gov. The information in this news release will be made available to sensory impaired individuals upon request. Voice phone: 202-693- 4650.

LANGUAGE: ENGLISH

LOAD-DATE: September 28, 1999

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SEPTEMBER 28, 1999, TUESDAY - 15:30 Eastern Time

SECTION: WHITE HOUSE BRIEFING

LENGTH: 6798 words

HEADLINE: NATIONAL PRESS CLUB MORNING NEWSMAKER
RE: WELFARE-TO-WORK AND THE 2000 CENSUS
PARTICIPANTS:
ALEXIS M. HERMAN, SECRETARY OF LABOR
WILLIAM M. DALEY, SECRETARY OF COMMERCE
JOHN PODESTA, WHITE HOUSE CHIEF OF STAFF
KENNETH PREWITT, CENSUS BUREAU CHIEF
FORMER REP. FRED GRANDY, GOODWILL INDUSTRIES
MICHELLE PATTERSON
NATIONAL PRESS CLUB,
WASHINGTON, D.C.

BODY:
TRANSCRIPT BY: FEDERAL NEWS SERVICE 620 NATIONAL PRESS BUILDING WASHINGTON, DC 20045
FEDERAL NEWS SERVICE IS A PRIVATE FIRM AND IS NOT AFFILIATED WITH THE FEDERAL GOVERNMENT.

THIS IS A RUSH TRANSCRIPT. ------------------------
MR. UHALDE: Good morning, and thank you all for being here today, and welcome. My name is Ray Uhalde, and I am deputy assistant secretary of Labor for Employment Training. We are here today for a very exciting announcement about a very creative partnership between two federal agencies and a well-established, community-based organization, coming together to bring new opportunities for employment to hard-to-employ welfare recipients. I'd like to introduce to you a leader in this administration's battles to secure adequate funding under Welfare-to-Work, to place the hardest to employ welfare recipients into jobs, and to create new opportunities for them, John Podesta, the White House chief of staff.
MR. PODESTA: Thank you, Ray. And I want to welcome Secretary Herman and Secretary Daley, Ken Prewitt, Fred Grandy from Goodwill Industries, and Michelle Patterson -- all of whom will speak briefly here this morning.
And I want to start by making some important news, which is that the census is most decidedly not an unanticipated emergency, but it is essential. Every person counts, and that's why every person must be counted. And that's, I

think, why we're so excited to see Secretaries Daley and Herman joining forces in such an innovative initiative. As I've said, this is a win-win proposition. This Welfare-to-Work grant to Goodwill Industries reinforces two of the president's top priorities: helping more people who live in the poorest communities move from welfare to work, and helping the 2000 census get an accurate count of these communities so that no one is left behind.

In 1992, President Clinton promised to end welfare as we know it. And over the past seven years, we've seen revolutionary changes to promote work and responsibility. Since he took office, welfare rolls are down by nearly half and are at their lowest levels in 30 years. Nearly four times more of those on welfare are working and the employment rate of people receiving welfare in the previous year has increased by 70 percent. This initiative builds on the success of this administration's Welfare-to-Work efforts. Individuals are moving from welfare to work in record numbers. As the president announced last month in Chicago, all 50 states met the welfare reform law's overall work requirements in 1998. Record numbers of people on welfare are working, and numerous independent studies confirm that most people who have left welfare are working as well.

Companies have learned that Welfare-to-Work is good for business. Over 12,000 business of all kinds have joined the Welfare-to-Work partnership since May 1997 when it was launched. These companies alone have hired an estimated 410,000 from welfare. And I'm proud to say that the federal government is doing its part. Under the vice president's leadership, federal agencies have hired also over 14,000 former welfare recipients -- far beyond the goal of 10,000 set in April of 1997. Commerce and Labor have surpassed their goals, with Commerce hiring over 5,000 former welfare recipients. We must follow through to help those still on welfare move to work and succeed in their jobs. The Welfare-to-Work grant awarded to Goodwill Industries today is an important step in that effort.

I want to make just a couple of points before I turn it over to Secretary Herman, which is that the president has called on Congress to reauthorize the Welfare-to-Work program and to invest an additional billion dollars in that program. The Welfare-to-Work will help more long-term welfare recipients and low-income fathers work and support their families. Funds are targeted to those individual in communities who need the help most, and we think this program is vital and ought to be reauthorized. And I would add that the president also urges Congress not to renege on its bipartisan commitment to welfare reform. There have been proposals to cut or delay TANF payments to the states. We think those are misguided and ill-formed, and we urge the Congress not to proceed with them.

We've made tremendous progress moving people from welfare to work. The grant awarded today testifies to that. Now it's time for Congress to join the president in building on these gains for the year 2000 and beyond.

With that, let me introduce our Secretary of Labor, who has been so committed to this effort and done so much in the Welfare-to-Work arena. Secretary Herman.

SEC. HERMAN: Good morning. Thank you very, very much, John Podesta, for your introduction. But we especially thank you this morning for your leadership and for all that you've done as our chief of staff at the White House to ensure that we can continue to invest in those who are making the transition today from welfare to work.

Clearly, this is an important morning for us, and I am very pleased to join my colleague, Secretary Daley, I want to thank him this morning, Ken Prewitt of the Census Bureau, and Fred Grandy of Goodwill Industries for being here today. And I want to thank all of you for being committed to providing more Americans with the opportunity to move from the limitations to the unlimited promise of work. Because with unemployment today literally at a 30-year low with inflation in check, certainly with productivity rising, with wages also rising in line with productivity, there is no question that this is an economy today with enormous opportunity. But where there is opportunity there is also challenge. And we recognize that one of the biggest challenges that we still face are helping those individuals make the transition today from welfare to work.

Both President Clinton and Vice President Gore certainly recognize that in order for welfare reform to succeed over the long- haul, that it was very important to focus on families who are literally facing the longest road. So together with Congress, the administration did provide $3 billion to the Department of Labor in grants to help families who need it the most get the help that they will need to make that transition today from welfare to work. And clearly, as John Podesta has already said, it is important to recognize that you don't change a 65-year-old program in just three to four years, and so now is not the time to pull the rug out from under an effort that has been successful in helping families make that transition from the welfare rolls to the dignity of work, and it is work that we need to continue. This was not just another "inside the Beltway" program, but we clearly have invested in solutions and strategies that are outside of the box and that are working. Today, Secretary Daley and I are proud to announce $20 million in a grant to the Goodwill Industries International Corporation to place Welfare-to-Work participants in jobs with the 2000 census effort -- jobs that will open the doors of opportunity for those who still face the most barriers to getting off the welfare rolls and onto the payrolls.

We have people with poor work histories or limited English proficiency; people with substance abuse problems or low basic skills; people who want to move from the dependency of welfare to the self- sufficiency of work. Goodwill Industries already has a successful track record in communities throughout our nation today, and this grant will allow them to us their expertise to match welfare recipients with good-paying jobs in their local census offices. Through Goodwill, these new workers will also receive the crucial support that every successful worker requires -- child care, transportation and training. Best of all, they will get vital experience and post-employment assistance that can provide the next secure step up the ladder of success, because this partnership is not just tied to a job, but it is tied to a real future.

As Secretary Daley and Ken Prewitt will tell you, many of the hardest employ certainly come from communities that are the hardest to count, communities that need federal funding and community services the most, communities that literally are pools of potential for us, and we recognize that by tapping into these pools of potential that we literally will open up oceans of opportunity. So, by standing up to be counted as a part of the American workforce, these new workers will ensure that their communities are counted as a part of the American landscape today.

This effort is just one example of the many innovative welfare- to-work partnerships that we're funding throughout the country today, in partnership with state and local governments, community and faith- based organizations, and employers -- partnerships that are preparing workers to meet the challenges of the future, because when we look to the future, we certainly recognize that our world today is changing at warp speed, with the impact of globalization and technology. The question really is not so much how will the future shape us, but how will we shape the future. And clearly by investing in these new workers, by recognizing that to the extent that all Americans have to become skill ready to meet the challenges of this new economy, that we are certainly doing our part to make sure that this is going to be an economy that leaves no one behind, and that we're doing our part in this administration to see that we continue to make the promise of America the practice of America.

And now it is my pleasure to introduce someone who works very hard every day to ensure that this is a promise that we are in fact keeping to the American people. He works hard every day to open up the doors, especially for the business community in our country. I am proud to call him my friend, my colleague in the cabinet, but especially an innovative partner on this Census 2000 effort, Secretary Richard Daley.

SEC. DALEY: Thank you very much, Secretary Herman. Let me first acknowledge the chief of staff to the president, John Podesta. His presence here is a strong statement, not only of the president's, the importance that Welfare-to-Work plays in this administration but to John personally, and the fact that he is so committed to making this work, because this very well could be one of the most important steps by government in the last 45 years, in my opinion, as we come to the end of the century. So, it's a real statement that he is here today, in spite of the enormous pressures on his time, as chief of staff to the president. To Michelle Patterson, and to Fred Grandy, and to Ken Prewitt, and of course, my colleague Alexis Herman.

Few people know that when the Commerce Department was originally established it was the Commerce and Labor Department. A few years later, Labor left and took all the money with them, and now it's nice to come back and get a few bucks from Labor. So, I'm extremely happy with this opportunity to speak with you.

Let me put this, the importance of today, in context, if I may, the $20 million grant to Goodwill. Next year, there's no question that the biggest job that will face the federal government will be conducting the 2000 census. At some point next year, we will have about 860,000 people knocking on doors around America and counting every person who is in America. That is the largest peacetime mobilization in our nation's history. And as we know, it comes at a time of unparalleled low unemployment, obviously making this extremely difficult for us to find workers. So, the job recruitment effort comes in the nick of time.

When you think about it, the 10,000 workers that Goodwill is helping us to find, are just one or two percent of the enormous army which we will need. But there is no doubt that these 10,000 former welfare recipients will be amongst the most important people that the Census Bureau will hire. I say that because the ideal census taker for us is a person who lives in a neighborhood. It is someone who knows the territory and knows the families in the area in which they live. It is someone who knows which buildings are occupied, and it is someone who knows where the children are and how many children there may be in the building. This is so important to us, because half the people who are missed in the 1990 census were children.

The job of these new workers will be to find people who may not be sending their census forms back, and whose forms may be incomplete. We anticipate that only about 60 percent of Americans will respond to the census questionnaires what we mail out early in April. So that means that these workers will be part of an army that physically knocks on some 46 million doors to retrieve information from people who are in America next year. If a household does not send back their form and a census taker goes and knocks on the door, who will those people who will be on that side of the door trust? Someone that is a stranger to them, or someone from their community?

Goodwill Industries will be helping us find workers in areas where they will be needed most. As we know, Goodwill is located in the heart of so many cities in

America. This makes it easier for many of these people moving into the workforce to get employee training classes, and also the support services that are absolutely vital. The workers will receive competitive salaries, and these are good jobs. Most if not all of the men and woman who are making the transition from welfare to work, as we all know, would rather have a job that is close to their home, and these jobs will be close to homes. And by establishing a work history with the census, the workers will position themselves for more permanent employment. As part of Goodwill's grant, they will be helping them find permanent jobs after our census work is done.

At Commerce, we have had very positive experiences in hiring people off welfare. When President Clinton and Vice President Gore announced the federal Welfare-to-Work initiative two years ago, we set a goal of 4,000 people. And we started bringing people on board at Census and other Commerce agencies. We reached our goal last March, and as of this past Friday, we have hired more than 5, 553 Welfare-to- Work employees. That is the most of any federal agency and we are tremendously proud of that activity. And we look forward to adding thousands of more recruits that Goodwill will find.

Let me make one final point, if I may. If the 2000 census is to be the best ever -- which is clearly our goal -- we need to full cooperation of many partners. The Census Bureau has worked extremely hard to bring business, non-profits, cities and counties together to help in this partnership. And I want to thank Secretary Herman and the Labor Department for the tremendous assistance which they have given us. The fact is, all the federal government is invested, and should be vested, in the census. Results are used, as we know, to allocate over $200 billion in federal funds. And whether this money is allocated right or wrong will depend upon how good of a job we do next year. So, it is in the interest of every federal agency to join together in this activity.

It is my pleasure now to introduce the director of the Census Bureau, a man who has worked mightily to make sure that the census that we give the American people next year is the census that they expect and deserve and someone who has put a special emphasis on the program of Welfare-to-Work and the reason we are at 5,553 is because of Ken Prewitt's leadership. Ken, we thank you for the job that you've done, and if you would come up and say a few words, we'd appreciate it.

MR. PREWITT: Well, I obviously want to thank the Secretary of Labor -- after all, it's her work that has taken our labor away from us. We've never conducted a census in such a tight labor market. And so, it's a great pleasure that you're able now to provide your resources and your initiative, a way for us to try to get into yet a more complicated, difficult labor pool, but one that's really critically important for the reasons that the secretary of commerce just mentioned, for the census.

But there's a separate reason I want to stress as to the importance of this program, since it's a metaphor, I think, for a larger point to be made about Census 2000. In a moment you're going to hear from a lovely lady who is a Welfare-to-Work success story. Now, there are two things to bear in mind about her presence here today. First, she's going to help us do a better census, but also, what she represents is the Census 2000 trying to help this be a better society.

And if indeed we can use Census 2000 to try to make it a better society, then the census will have sort of given back in full to the American people.

Now, what do I mean by that? Well, we frequently, especially in this city, we talk about the census in terms of representation, the distribution of congressional seats, redistricting and so forth. And we also in this city, and in state capitols and cities of our country we talk about the census in terms of resources, distribution of monies and so forth. But when you get out into the public, beyond officialdom, then the message of the census is really about recognition. It's about making sure everyone is included. It's about respect and esteem. And our connection with the Welfare-to-Work program is for us at the Bureau a very important component of that aspect of the census, that is the census as a way to recognize, if you will, to show respect to the American people by including all of them.

So, we frequently talk about the census in terms of these three "R"s -- the R of representation, the R of resources, and the R of recognition. But increasingly we're going to talk about the census in yet another way, and this program is the heart of how we would like to start talking about it. We would like to talk about the program in terms of responsibility, that is, the responsibility of the American public to participate in it as a civic ceremony, as a civic celebration. And if we can assert the theme of responsibility about Census 2000 as we move into the new millennium, then we think that's the process by which we will use Census 2000 not just to be a good census but to be a better society. And if indeed, as we fully expect, that we're able to bring in Welfare-to-Work, and through the work of the Goodwill Industries and our other partners, make sure that these people get into the jobs, they're learning things. They're learning all the regular things that come with work -- being there on time, managing other people, learning technologies, keeping up with complicated data flows, understanding that they're part of something very big, social commitment to this society. They're learning what it means to connect to the society. And we want the census itself to be a way to connect people to their country -- and that's what we mean by calling it a civic ceremony.

So, the person you're going to hear from is a metaphor in a very important way. It's a metaphor for what the census bureau can give to society as well as, in this particular instance, how people on Welfare-to-Work programs will be helping us do a better census. We have a very strong partnership already with the Goodwill Industries. They're doing many things other than simply recruitment -- though they've already started working on that as well, and it's with great pleasure that I can turn to Fred Grandy and have him explain the way in which they're going to really hone in on what is for us a critical problem, which is a quality labor force so we can do the kind of census that we intend to do. Thank you.

MR. GRANDY: Thank you. Secretary Herman, Secretary Daley, Mr. Podesta, Director Prewitt, and Michelle -- we are, at Goodwill, deeply gratified and humbled to receive this grant from the Department of Labor.

I must tell you, though, that it was about five months ago that Ken Prewitt and I were in the National Press Club, at a smaller ceremony, agreeing to a memorandum of understanding to work between Goodwill and the Department of Census to begin this project. And we were not at that time anticipating a major grant, but what we were anticipating was an on-going partnership, and I can tell everybody assembled here that in a variety of cities already -- Orlando, Florida; Seattle, Washington; Tulsa; Santa Rosa, California; New Orleans; other cities -- Goodwill and the Census Bureau are already at work trying to create the success stories that we hope will germinate from this Welfare-to-Work partnership.

Obviously, though, I think it's important when we have these dignitaries and the press here to explain a little bit why it is Goodwill that his partnering at this point. I think that it's fairly safe to say that when most people see the Goodwill logo they may not think of employment and training -- they probably think "I have to clean out my closet." And that is not an entirely terrible thing. That network of 1,700 thrift stores last year underwrote the largest network of employment and training for people with barriers to the workplace in the country. That translated into about 320,000 served in the United States last year. And about 89,000 of those were welfare recipients. And of those, about 14,000 actually received competitive employment, which means they found a job in their community and kept it.

I think the reason we were able to provide that kind of infrastructure is Goodwill has always been community based. We are now 175 Goodwills strong in the United States, and demographically that translates into 94 percent of the nation's counties, to 609 of the 616 U.S. demographic areas of populations of 50,000 or more, in 47 states.

But what we are with this grant is nationally focused -- nationally focused on actually completing the work that the Welfare- to-Work law began a few years ago and is now, I think, in its critical stages, because as Secretary Herman explained to you, the populations that we are dealing with now are not necessarily the rapidly attached -- those individuals that perhaps profited from a buoyant economy. We are talking about people with learning disabilities, with no work experience whatsoever, perhaps with a substance abuse and a correctional background. And it is that population that I think is most serviced by this unique partnership between Goodwill and the Department of Labor.

What we try to emphasize in our training programs is not just job placement but career development, and that's why we are very interested in the post-placement opportunities here. What follows on after some of our workers and graduates get their census job, and we hope to be involved in servicing a lot of those folks. Seventy-four percent of all of our Goodwills right now are very much involved in retention services.

So, what we're really talking about here today, I think, is the final, critical test of the Welfare-to-Work law, because what we're talking about at this point is not just employment -- we're talking about employability. And to that end, Goodwill promises to be a strong partner to not just the federal agencies we're partnering with, but to people like Michelle Patterson, who I want to ask to come up to the podium to talk about, because it's always attractive and I suppose titillating to hear big numbers about success stories, but until you attach a face, and a name, and a person to that, you really don't understand why this program has been as successful as it has, and why this partnership will be as important.

So, let me as Michelle Patterson to come up and let you listen to a success story fro the Welfare-to-Work partnership. Michelle is a 31-year-old mother of two. She was a recipient of public assistance for 11 years. She graduated number four in her class at Simon Gratz (ph) High School in Philadelphia in 1985, but two years later gave birth to her daughter Nadira (ph), who is now 12. Unmarried and jobless, she applied for assistance to care for her daughter, and two years later, she had another child, Nehemiah, who is now 10.

But she has been part of the Welfare-to-Work program and applauds it because of the individualized assistance it provides participants. The administrators evaluate the strengths and weaknesses of each client and place him in a program that will best suit their needs, utilize their abilities and eventually lead to gainful employment. And she is very grateful to employers like the Bureau of Census who are willing to offer former recipients a second chance at success. Her short-term goal is to return to Temple University to complete her coursework and receive her degree in computer and information sciences. Her long-term goal is to advance within the government and achieve the highest level of management of administrative functions.

So Michelle, we welcome you to the podium. And on behalf of Goodwill, we look forward to many more success stories like yours. Michelle.

MS. PATTERSON: Good morning. Sixteen months ago, when I began my employment with the Census Bureau, I was just happy to have obtained a well-paying job and to be a productive part of the workforce once again. I never would have imagined that I'd be standing here today -- a success story representing former public assistance recipients from all over the country.
Although I've always believed in my heart that I'd be successful at any career path I chose, I'm honored today to be recognized for this achievement. I'm also thankful that the United States Census Bureau and partnership with the Welfare-to-Work program has afforded me an opportunity to experience the financial independence that I now enjoy.

The Welfare-to-Work program's initiative has provided me with substantial and supplemental training that further allowed me to develop my professional and interpersonal skills and ultimately led to gainful employment within the Census Bureau.
The Census Bureau in Philadelphia -- their willingness to train me and to hire me at an entry-level position -- has given me valuable work experience and considerable knowledge of administrative functions and clerical procedures -- office procedures. And no doubt, this information that I've learned will be an asset for any future employment endeavor.
The management and staff at the Census Bureau has been receptive to not only me, but to other Welfare-to-Work participants. We're all encouraged to apply ourselves and we're given the opportunities to advance at our own pace. We're given the opportunity to advance at our own pace and to move on according to our own capabilities and ambition.
What's been most noteworthy to me within the Welfare-to-Work program and the Census Bureau is that their propensity is not to judge you based on your background but you're welcomed because of your diversity. Your initiative is encouraged, your merits are acknowledged, and your abilities are rewarded.
So, in closing, I'd just like to say that I'm very proud to be a part of the Welfare-to-Work program, because it works for those with the courage and initiative to go out and try a second chance at success. And I'm also proud to be a part of an organization like the Census Bureau that, to coin a phrase, makes us all count. (Applause.)
MR. PREWITT: Thank you, Michelle. And I'm sure we recognize you as a great credit to the Census Bureau and to your own efforts and recognition. We're now available for questions. The distinguished panel. And I'll open it up to the press questions. Yes.
Q Bill Small (ph), Bloomberg. For Mr. Grandy and anybody else that would care to take a crack at it. Forgive a devil's advocate question, routinely with a census that we have been told over and over is vitally important -- (inaudible) -- the numbers are important -- (inaudible) -- given something that is that important, why would there not be criticism about turning part of that over to the people who would have -- (inaudible) -- skills, possible substance-abuse problems, according to the Labor secretary and Mr. Grandy, possible correctional background, I think Mr. Grandy mentioned, and other skills of that -- (inaudible.) Why would that not be a recipe for creating a problem in the count by -- (inaudible) -- accuracy or quality of information -- (inaudible.)
MR. GRANDY: I'm sure the secretary will want to weigh in on -- (laughter) this too. Both of them maybe. You might want to call the White House, John, there

might be some other --

Let me just say that I'm glad you asked me that question, because that really is the major stumbling block, whether we're dealing with somebody with a diagnosed disability or a disadvantage, whether it is a correctional background. The largest barrier to employment and success for individuals is public attitude. It is not individual aptitude or ability. And this program gives us a chance to go at that, hammer and tong.

If you talk to employers, whether they have gotten their workers from Goodwill, or whether they've come out of a federal program, almost invariably they will say that we had no idea that this category of worker was going to be such a qualified employee. And don't take my word for it. You can talk to people like Gerry Grunwald at United Airlines and others who are involved in the Welfare-to-Work partnership.

That is Goodwill's job, day in and day out, is to basically change that attitude. And quite honestly, this is a tremendous opportunity, because there is so much at stake, because we are talking about a major decennial count that is going to affect public programs and congressional districts and a variety of important public policy decisions.

But I think you'll find, as we begin to recruit people into this program, you're going to have a lot of people like Michelle that care about their community, that know their community, and will change a lot of attitudes for people that will say "We never really believed that these folks would be qualified to do this work." That is exactly what we're going to disprove with this experiment.

SEC. DALEY: There's very little to add on top of what Fred just said, other than we firmly believe that in order to do this census the right way, we need to have a workforce that's reflective of America. And we need people who understand their communities, understand the difficulties.

And as we have all stated, in addition to the civic endeavor of doing the census, a goal of this is to prepare our workforce -- our entire workforce -- in ways that will strengthen our overall economy, so that the people who we will bring into this census and if it works as we expect it to, they will continue to work and add to our economy and add to our vibrancy of this economy into the next century, and that's positive.

And people's problems that you mentioned, or that the Labor Secretary had mentioned, are also in those of us who have not been on welfare and gone to work. Not everyone is perfect, like you or me. So, you know. (Laughter.)

SEC. HERMAN: In addition to what Secretary Bill Daley has just shared with you, I think there are three points that I would want to make. One is to underscore that out of all of the barriers that we've dealt with in implementing the Welfare-to-Work program, the biggest barrier that we faced was attitudinal and trying to change the mindset of employers understanding that these individuals were not, quote, "ex-welfare recipients," but in fact they were new workers and represented a whole new potential pool that could be tapped into in our economy.

The second point that I would make in doing so is that statistically, when you talk with employers today around the country, you find that these individuals who are making a successful transition from welfare to work are either on part with other entry-level workers in similar situations, or in fact have actually outdistanced their performance. Their retention is oftentimes twice as great, for instance, as other entry-level employees.

And this is due to the fact that these are motivated individuals who want to work, who need to work, but who have been looking for the opportunity. And I think Michelle is an excellent example of that.

The third thing that I would say is that with regard to the census effort, we continuously look for opportunities in the labor market today for the kinds of

jobs that will give individuals today that first opportunity -- that first shot, if you will, to get the experience to get into the labor market.
The census jobs that will be associated with the census count -- not only is it a wonderful opportunity to get practical labor market experience in jobs where we know we can make a skilled match. This is not a wishing-and-hoping situation. We know that this is a successful effort that we are making an investment in, that we will be able to make a successful skill match, and that these individuals will be able to get the job done for us in a quality manner, and that's what counts in the end.
MR. : Thank you. Yes, sir.
Q (Off mike) -- and I guess by our questions, we reveal our background and/or our biases. My question which I was thinking of before the previous question was, I guess, the flipside, which was how does Goodwill get beyond the inertia of lethargy that's in some people, everyone that's on welfare and seeking work that's not motivated all the time? How do you get beyond that image that "I'm a welfare person" to get that person motivated to the level that they are a very qualified, employable person? And how do you overcome those personal skills that the individuals that you're working may bring to their situation.
MR. : Fred?
MR. GRANDY: One person at a time. I mean, this is basically a work that is dependent upon our ability to first convince an individual that they have skills and abilities worth pursuing, and then marketing to those employers. We are very much brokers between employers and potential employees.

LANGUAGE: ENGLISH

LOAD-DATE: September 28, 1999

I don't think
there was any
splicing release.

federal register

Thursday
April 15, 1999

# Part II

# Department of Labor

## Employment and Training Administration

20 CFR Part 652, et al.

Workforce Investment Act; Interim Final Rule

THE WHITE HOUSE

**Office of the Press Secretary**
**(Aboard Air Force One)**

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**For Immediate Release** **August 11, 2000**

## STATEMENT BY THE PRESIDENT

Two years ago this week, I signed the bipartisan Workforce Investment Act (WIA), launching an historic initiative that Vice President Gore and I first proposed in 1992 as a way to streamline and bring greater accountability to our nation's job training system. Today, with these reforms underway in all 50 states, we reach another key milestone by adopting the final rule implementing the major provisions of this landmark Act. I congratulate our federal partners, Congress, the states, local communities, businesses, and American workers, on how far we have come.

Largely as a result of WIA's reforms, states now have established 1,200 One-Stop Career Centers to provide job seekers and employers in each community with a single, customer-focused point of entry to a wide range of employment services. Developed with extensive input from the many people with a stake in our job training system, the final rule provides additional direction to state and local partners while preserving their planning and operating flexibility. The rule also gives state and local partners guidance on creating Individual Training Accounts that allow workers to choose the training that meets their needs.

Unfortunately, currently proposed Congressional funding for workforce development programs, including the Administration's Fathers Work/Families Win initiative, falls far short of the amount needed both by American businesses to meet the growing demand for skilled workers and by working families to gain access to lifelong learning. WIA provides broad access to employment opportunities, often for people with disabilities or others who have been excluded, and it should be properly funded. I call on Congress to fully fund the bipartisan program it passed two years ago so that all Americans can participate in today's era of economic opportunity. With WIA up and running across the country, now is the time to invest in the system we built together.

WIA Final Rule -
POTUS statement ✓

11/17/97

Remarks from
Wichita event –
not done in by news-
paper not on web
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TANF NPRM I
with Interim Rule

THE WHITE HOUSE

Office of the Press Secretary
(Wichita, Kansas)

For Immediate Release November 17, 1997

REMARKS BY THE PRESIDENT
TO THE WORKERS AND TRAINEES OF CESSNA

Cessna Campus Building
Wichita, Kansas

2:20 P.M. CST

THE PRESIDENT: I think we should give them another hand -- they were fabulous, weren't they? (Applause.) Thank you, Tanya and Jodee. Thank you, Russ Meyer. Thank my friend, Eli Segal, for doing such a great job in getting other companies into this endeavor. Thank you, Michael Starnes, for the incredible support that the United States Chamber of Commerce has given to this effort.

I thank Secretary Glickman and Secretary Herman and Secretary Cuomo, who is not here, for the work they have done in supporting this endeavor and others like it around America. I'd also like to thank the large number, the unusually large number of public officials who are here today, proving that we come to celebrate a victory for America -- a victory of people, not party or politics, but an old-fashioned victory for American dignity and possibility, for people succeeding at work and succeeding in raising their children -- an old-fashioned reaffirmation that our American Dream is still very much alive and well if we all pitch in and do our part.

So thank you, Governor Graves, and thank you Senator Roberts and Senator Brownback, Congressman Tiahrt, Congressman Ryan, Mayor Knight and the other state officials and legislative leaders and council members who are here. I am very grateful to all of you for being here.

The sign says it's all about people, and I would like to suggest that you consider renaming the 21st Street Campus to the 21st Century Campus, because you really are an embodiment of the future America has to make. (Applause.)

Ladies and gentlemen, before I make the few remarks I'd like to make on this issue, I think it is appropriate, since it's my first appearance of the week, to just give you a brief update on the situation in Iraq. Even when I was walking through here a number of people asked me about it.

First, it's important that you understand what is at stake here. Since the end of the Gulf War, for six years, inspectors, under the authority of the United Nations, have been trying to find and destroy Saddam Hussein's capacity to threaten his neighbors and potentially others around the world with nuclear or biological or chemical weapons. They have found and destroyed more weapons of mass destruction potential in the last six years -- these quiet inspectors who no one knows -- they have destroyed more of this potential than was destroyed in the entire Gulf War, with all of the air attacks.

What they are doing matters. It matters to you, to your children and to the future, because this is a challenge we must face not just in Iraq, but throughout the world. We must not allow the 21st century to go forward under a cloud of fear that terrorists, organized criminals, drug traffickers will terrorize people with chemical and biological weapons the way the nuclear threat hung over the heads of the whole world through the last half of this century. That is what is at issue.

In his defiance of international community, Saddam Hussein has forced the withdrawal of the inspectors. Now, I am trying to settle this issue peacefully. But our diplomatic efforts must be backed by our strong military capability. We cannot rule out any options. But the bottom line is, we have to understand this. It is essential that those inspectors go back to work. The safety of the children of the world depends upon it. And I ask for your support. (Applause.)

I told Russ Meyer this morning that before I got my present job I spent a lot of time flying around the farmland and the mountains of Arkansas in Cessna airplanes. And it occurs to me that for a long time now Cessna has helped a lot of people take to the air in your planes. Today, we come to celebrate Cessna's efforts to help people fly higher all by themselves. And it is a truly remarkable thing.

This program, the partnership between Cessna and HUD, the Labor Department, the city of Wichita, the state of Kansas, provides training because people need it to get good jobs; provides child care -- and, by the way, I got to visit the child care facility today, so in addition to my model airplane, I have a logo constructed giraffe. (Laughter.) And I think if it's all the same to you, I'll put them both up in the Oval Office so people can see what's going on here. (Applause.)

It provides temporary housing, recognizing that a lot of people who have been poor and who have children and don't have transportation to go a long way to work. And, most important, it provides a job. Every company in America ought to take notice of what Cessna is doing. It's a model for the nation. It proves once again that the best social program ever devised is a job -- a good job with dignity that allows people to support their children.

Six years ago when I ran for president I wanted to restore what I always thought was the basic bargain in America that everybody had a right to an opportunity in life if they exercised the personal responsibility that goes along with it. That is the only way we can keep the American Dream alive in the 21st century for everyone, and it's the only way we can continue to lead the world for peace and freedom. In the end, it's the only way we can come together across all the differences in our increasingly diverse nation.

In the last 5 years, as Secretary Glickman said, the American people have made a lot of progress toward restoring that basic bargain. Unemployment is the lowest in 24 years. The deficit has been cut by 92 percent, and now that the balanced budget law is triggering, it will be even balanced soon, for the first time in a generation. We see the lowest crime rate in 24 years, the biggest drop in welfare rolls ever, incomes rising and poverty dropping, the environment improving as the economy advances -- something a lot of people didn't think was possible. And families are getting more support not only in work, but in raising their children and educating them and in meeting all their obligations.

So there is a sense of confidence in this country that you can feel in this room today that we really can make America work for everybody again. You have earned that confidence -- you and all the America people -- through hard work, a vision for the future, and a willingness to embrace new ideas for new times.

But I will say again, as many on the program have said before, if we're going to make America everything that we want it to be, everybody has got to have the chance at the brass ring in life. And we know that if our free enterprise system is going to work we're going to have to be able to train people for the areas where there are job shortages, where, by and large, are areas that pay more.

You already heard our chamber president talk about the shortage of truck drivers. Whatever it's worth, when I was governor, I paid to train a bunch of them and I'm proud of it. And we're going to get on that and see what we can do.

We have literally hundreds of thousands of openings in computer-related jobs in America -- literally. You've got people out here dying to go to work, and jobs over here and a mishmash between them because they haven't done what Cessna has done. Either the training is not there or the child care is not there or the transportation is not there. There's something keeping people who are dying to do their part from getting there.

So that's why we're here to celebrate. The main reason I showed up, apart from the sheer satisfaction of it and the joy, is that sometimes when I show up it gets enough publicity that people find out what you're doing. I don't care if they hear what I say, I want them to see what you're doing so other people will do it. (Applause.)

Now, when I took office I had already been involved with this whole issue of welfare reform for a long time. I started -- I became seriously concerned about this in 1980 when I realized what a problem it was. And over the years I served as governor of my state I spent quite a bit of time in welfare offices. I spent a lot of time talking to people who had been on public assistance. I spent a lot of time talking to employers who tried to hire people and when it didn't work to try to find out why it didn't work out. And I think that I have learned a fair amount about it and every good thing I've learned was confirmed here today.

It was obvious to me that if we were going to ever break the cycle of dependence in America we had to change our approach, and we had to change our idea about what the role of government is. Some people thought that it was inevitable that a certain number of people are always going to be poor and in difficult circumstances. That may be true -- misfortune happens to a certain number of people, and nearly for all of us misfortune will happen to us in some way or another over the course of our lives. But that doesn't mean that the answer was just to keep the status quo, because the status quo wasn't working -- giving people a check that didn't even keep up with inflation was not working. Neither was neglect an option.

So our governing philosophy has been to try to create the conditions for good economy and then give people the tools to make the most of their own lives, and whenever possible, to work in partnership with the private sector. In the first couple of years I was in office we did that by giving over 40 states permission to try their own hand at moving people from welfare to work.

Eventually, we were able to agree -- the Republicans and the Democrats together by an overwhelming majority in the Congress -- to reform the present welfare system, saying that everybody who can work, must work; but also providing support for employers who were willing to hire welfare recipients, maintaining government support for children's health care and nutrition where necessary, providing extra help to communities with very high unemployment rates and, I think probably most important of all, giving the states some more help to provide adequate child care when people are working for employers that are much smaller than Cessna and perhaps not able to provide that on their own.

The budget I signed into law last summer included $3 billion for welfare-to-work programs, increased tax incentives for businesses to hire people off welfare. So we changed the role of government. But that's only the first step. We also have to change the role of the private sector. And, again, I cannot say enough about your CEO and all the leaders of this company, all up and down, everybody who has been involved in this program, because you have shown what has to be done.

We know that almost all the jobs in America are in the private sector. I'm very proud of the fact that way over 90 percent of the new jobs created in America in the last five years have been in the private sector. The capacity to train people for the jobs that are needed in a given place is in the private sector. But most of all, the necessary vision, mind and heart to do the job are here. That's why we started the Welfare to Work Partnership. And I asked my friend, Eli Segal, who left a very successful business career, first of all, to help us start our national service program, AmeriCorps, to head up this Welfare to Work Partnership.

Last May, we started with 105 companies at the White House who said they would be a part of this. They pledged to enlist a thousand companies between May and November. It's November. Now, how have they done? In six months, more than 2,500 companies in America have pledged to hire welfare recipients. (Applause.) These companies have over 5 million employees. Some of them are big, like Cessna; 24 of them are in the biggest hundred companies in America. But 75 percent of them are small businesses. We need all of these companies.

In addition to that, Eli's got an advisory board of governors which includes 10 Democratic governors, 10 Republican governors. Again, this is not about politics or party, this is about people. This has to be an American crusade. More and more businesses are realizing that this can be a good thing not only for our families and our country, but for businesses as well.

And again, let me say, the U.S. Chamber of Commerce launching a campaign to convince every chamber in the country other join the effort is the big next step, because you heard Russ say, we've got 2,500 companies; when we get 10,000 we'll really be talking turkey and we'll be doing something that will make a big dent in this nationwide.

I am delighted that we've had almost 2 million people move off the welfare rolls since the welfare reform law passed, almost 4 million people in the last five years. But there are a lot more folks out there, and we have to do it. We are going to strengthen the work requirements of welfare reform, but we need to strengthen the support we give to people to meet those work requirements.

Let me just say in closing that I think it was obvious to anybody who was here today that the most popular speakers were Tanya and Jodee. (Applause.) What I want to say to you is, I've been all over the country and I've met a lot of people who had a setback in life, many of them have terribly situations at home, almost every one of them passionately devoted to the welfare of their children, who thought they would be stuck on welfare forever, and somehow they made it out.

And the real idea behind all of this is, if some people can make it but everybody wants to make it, it's up to those of us who have made it, as Russ said, to create a system where everybody who wants to has a shot. (Applause.) Because it's important that we understand, while Tanya and Jodee are remarkable people -- and I might add, such good speakers that they might consider public office as a career option -- (laughter) -- they are not alone. Their stories are mirrored by -- there is a story in every one of these graduates who stood up here today. When they all stood up and we clapped, every one of them has got a story like their two stories. And what you have to know is, every person out there in America who is in a difficult situation has also got a story and a heart and a mind. And most of them aren't in a program like this now and aren't even close to it.

That's why we're here. If you liked what you saw when they spoke, you would love it if everybody with that story could be standing before a microphone in the community in which they live making the same speech. That is what we're here to ensure. And thanks to Cessna, we've got a lot better chance than we had before.

Thank you and God bless you. (Applause.)

END 2:37 P.M. CST

federal register

Thursday
November 20, 1997

Part II

# Department of Health and Human Services

Administration for Children and Families

45 CFR Part 270, et al.

Temporary Assistance for Needy Families Program (TANF); Proposed Rule

# HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

November 17, 1997

Contact: Michael Kharfen
(202) 401-9215

## WORK NOT WELFARE: CLINTON ADMINISTRATION ISSUES NEW PROPOSED WELFARE REGULATIONS

***Overview**: On August 22, 1996, President Clinton signed into law the Personal Responsibility and Work Opportunity Reconciliation Act, the new welfare reform law that established the Temporary Assistance for Needy Families (TANF) program. Under the legislation, the states have unprecedented flexibility to design welfare programs to meet the particular needs of welfare families. In return, the federal government demands new, measurable results related to moving families into work and self-sufficiency.*

*These proposed regulations of the welfare reform bill are intended to help all welfare recipients who can work go to work, and to encourage states to work with all families. To support the success of welfare reform, President Clinton has already exercised leadership in initiating a new partnership with American business to hire welfare recipients, established a new welfare-to-work program targeting resources to communities with high numbers of long term welfare recipients, secured increases in child care funding, obtained the strongest child support enforcement measures ever enacted to force deadbeat parents to support their children, and encouraged good practices by states such as expanding child care and transportation services.*

*The proposed regulations announced today forge a balance between state flexibility and state accountability for moving welfare families to work.*

### The TANF Program

TANF replaces the former Aid to Families with Dependent Children (AFDC) program. Under TANF, states determine the eligibility of needy families and the benefits and services those families will receive. States must use the TANF funds consistent with the purpose of the new law which contains strong work requirements, time limits assistance, reduces welfare dependency, and encourages two-parent families. States have broad flexibility in the design and operation of their welfare-to-work programs.

The proposed regulations incorporate the core TANF accountability provisions, including work requirements, time limits, state penalties, and data collection and reporting requirements. In general, the regulations reflect a limited and restrained federal role. Since Congress specifically limited the authority of the federal government to regulate the new TANF program, the regulations cover only areas where Congress specifically directed the Secretary to regulate or where the Secretary is regulating her own actions.

The proposed regulations provide states with a basic framework for implementing the new welfare program, reinforce the importance of work requirements, promote positive outcomes for needy children and families, and fulfill the new federal role of supporting state flexibility, innovation and success.

Prior to the issuance of these proposed regulations, HHS conducted an extensive consultation process. In addition, upon publication on Thursday in the Federal Register, HHS will accept comments for 90 days. Written comments can be sent either by mail or over the World Wide Web by visiting our site at: http://www.acf.dhhs.gov/news/welfare/. Following the comment process, HHS will consider all submissions and issue final regulations.

The following highlights some issues covered by the proposed regulations.

**Penalties**

At the heart of the statute is the expectation that States be held accountable for moving families from welfare to economic self-sufficiency through work. Congress' intention in this area was clear -- to follow through on its expectations, it gave HHS specific authority to hold states accountable for results by reducing Federal funds through 14 penalties. The proposed regulations conscientiously carry out the new law's penalties in a tough but fair framework.

The new welfare law also gives the Secretary of HHS discretionary authority to forgive some penalties on states for failing to meet a statutory requirement for reasonable cause. While providing the states a fair opportunity to demonstrate reasonable cause, the Secretary intends to be firm in granting exceptions only for compelling reasons. The proposed regulations provide some general examples when states might be granted reasonable cause exceptions, including natural disasters and other calamities, incorrect federal guidance and isolated, non-recurring problems.

The law also provides states an opportunity to correct certain problems through corrective compliance plans. The proposed regulations specify what the corrective compliance plans must include and limit the duration of such plans to six months.

**Credit for Caseload Reductions**

The new law allows states to obtain credit toward meeting the work participation rates to the extent their previous year's caseload was lower than it was in federal fiscal year 1995. The intention of the provision was to acknowledge the successful achievements of states in moving families from welfare to work. The new law excludes caseload reductions that occurred because of changes in eligibility requirements, such as time limits and income requirements.

Under the regulation, states will submit information for the prior year, including a list of eligibility changes and an estimate of the effects of each on the caseload. There will be separate reductions for the overall and the two-parent rates, based on reductions in the respective caseloads.

**Two-Parent Families**

The new welfare law's core principle is to support and require all families to move into work. The new law set a higher minimum participation rate for two-parent families than for all families. In assessing penalties on states failing to meet the higher two parent rates, the proposed regulations would implement this requirement in a balanced way, basing the penalty for failure to meet the participation rate in proportion to the percentage of the states' caseload that is two-parent families.

**Waivers**

Prior to the enactment of the new welfare law, the Clinton administration led the effort to reform welfare by encouraging and supporting state innovations through waivers. In President Clinton's first term, the Administration granted 43 states waivers of federal requirements. Those waivers laid the foundation of the new welfare reform law by strengthening work requirements, time limiting assistance and demanding parental responsibility. In a recent report, the Council of Economic Advisors attributed 31 percent of the unprecedented reduction in welfare caseloads to the Clinton waiver demonstrations.

The welfare reform law allows states to continue to operate their welfare reform waiver demonstrations, and to retain provisions that are inconsistent with the new law, until the waivers expire. The proposed regulations define the extent to which inconsistencies apply in a way that maintain the law's strong work requirements. For example, the proposal does not allow states to use waivers to limit the universe of people subject to the work participation rates.

**Domestic Violence**

The proposed regulations balance the special security and safety needs of victims of domestic violence with the need to provide them the opportunity to achieve independence and economic self-sufficiency through work. States are encouraged to adopt the new law's Family Violence Option and seek to ensure that individuals are appropriately assessed and that they are provided crucial services. HHS will grant good cause exceptions to the penalties for states that fail to meet work or time-limit requirements because of waivers granted to victims of domestic violence, as long as those waivers are temporary and include services to help the individual prepare for work and self-sufficiency.

**Maintenance of Effort**

The proposed regulations continue to provide states the flexibility to set up separate state programs to serve needy families funded solely with state funds. In January 1997, HHS issued guidance with a preliminary explanation of state maintenance of effort requirements, allowing states to use separate programs to address particular family situations, such as grandparent heads of households. However, if states misuse this flexibility -- to evade the work requirements, deny the Federal share of child support collections or avoid penalties -- they will not be considered for discretionary reasonable cause exceptions or reductions in penalty amounts.

**Data Collection and Reporting**

The proposed regulations closely mirror the new law's requirement that states collect and report information in sufficient detail that HHS, the Congress and the public can understand who is being served by states in TANF and compare progress and results in moving families from welfare to work. They would require all states to submit quarterly reports to provide basic data, such as caseloads and work requirements, and document maintenance of effort. States will be encouraged to provide the same data for state funded programs where spending counts for TANF maintenance of effort.

###

federal register

Tuesday
November 18, 1997

# Part II

# Department of Labor

## Employment and Training Administration

20 CFR Part 645
Welfare-to-Work (WtW) Grants; Interim Rule

**DEPARTMENT OF LABOR**

**Employment and Training Administration**

**20 CFR Part 645**

**RIN 1205–AB15**

## Welfare-to-Work (WtW) Grants

**AGENCY:** Employment and Training Administration (ETA), DOL.

**ACTION:** Interim final rule; request for comments.

**SUMMARY:** The Employment and Training Administration hereby issues an Interim Final Rule implementing the Welfare-to-Work (WtW) grant provisions of Title IV, Part A of the Social Security Act as amended by the recent enactment of the Balanced Budget Act of 1997. The Interim Final Rule provides an administrative framework for the WtW program which is being coordinated with the closely-related Temporary Assistance for Needy Families (TANF) program administered by the Department of Health and Human Services (DHHS). While the use of WtW funds should occur within the larger framework of the TANF program in each State, these funds have a purpose that is distinct from that of the TANF program. The purpose of WtW is to provide transitional assistance which moves hard-to-employ welfare recipients living in high poverty areas into unsubsidized employment and economic self-sufficiency.

**DATES:** *Effective Dates:* This Interim Final Rule shall become effective on November 18, 1997. However, affected parties do not have to comply with the information collection requirements in § 645.240 (reporting requirements for WtW programs) until DOL publishes in the **Federal Register** the control numbers assigned by the Office of Management and Budget (OMB). Publication of the control numbers notifies the public that OMB has approved this information collection requirement under the Paperwork Reduction Act of 1995.

*Comment Period:* Comments must be submitted by January 20, 1998. The Department will not consider comments received after this date. Comments that are less than 10 pages in length may be transmitted via facsimile at (202) 219–0376, provided that submission of written text follows.

**ADDRESSES:** Submit written comments to the Employment and Training Administration, Welfare-to-Work Office, 200 Constitution Avenue, NW, Room S5513, Washington, D.C. 20210, *Attention:* Peter E. Rell.

All comments shall be available for public inspection and copying during normal business hours at the Employment and Training Administration, Office of Employment and Training Programs, 200 Constitution Avenue, NW, Room N4459, Washington, D.C. 20210. Copies of the Interim Final Rule are available in the alternate formats of large print and electronic file on computer disk which may be obtained at the above-stated address. The Interim Final Rule is also available on the WtW web site at http://wtw.doleta.gov. Comments may be submitted electronically to that web address.

In compliance with 28 U.S.C. 2112(a), the Employment and Training Administration designates the Associate Solicitor for Employment and Training Services, Office of the Solicitor, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N2101, Washington, D.C. 20210, as the recipient of petitions to review this Interim Final Rule.

**FOR FURTHER INFORMATION CONTACT:** Mr. Peter E. Rell, Welfare-to-Work Office, U.S. Department of Labor, 200 Constitution Avenue, NW, Room S5513, Washington, D.C. 20210, Telephone: (202) 219–0181 (voice) (This is not a toll-free number.) or 1–800–326–2577 (TDD).

**SUPPLEMENTARY INFORMATION:**

### Paperwork Reduction Act

Pursuant to the Paperwork Reduction Act of 1995, information collection requirements which would be imposed as a result of the Interim Rule are being submitted separately to the Office of Management and Budget.

### I. Background

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), a comprehensive welfare reform bill, under which the TANF program was established to supersede the Aid to Families with Dependent Children (AFDC) welfare program, the Job Opportunities and Basic Skills (JOBS) Training program and the Emergency Assistance (EA) Program. The TANF program at section 401(a) of the Social Security Act (Act) established the following objectives:

- Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- Encourage the formation and maintenance of two-parent families.

The TANF provisions substantially changed the nation's welfare system from one in which cash assistance was provided on an entitlement basis to a system in which the primary focus is on moving welfare recipients to work and promoting family responsibility, accountability and self-sufficiency. In general, adult welfare recipients are expected to become self-sufficient — within a 60-month period of time. In support of this "work-first" objective, the TANF provisions established an overall work participation rate for all households and a work participation rate for two-parent families that must be met by each State starting in fiscal year (FY) 97 and in each fiscal year thereafter through FY 2002. States that do not meet the TANF-established work participation rates face significant financial penalties.

The reference to "work-first" refers to the TANF concept that the primary focus is on placing individuals in employment activities. Nevertheless, the work-first approach also recognizes that individuals may be provided, as appropriate, education and skills training related to the job, as well as other services to ensure lasting employment and the achievement of self-sufficiency. Since the enactment of PRWORA, the Administration and Congress have been concerned that those welfare recipients who have the least skills, education, employment experience and who live within high poverty areas may need additional assistance to obtain lasting jobs and become self-sufficient.

On August 5, 1997, the President signed the Balanced Budget Act of 1997. This legislation amended certain TANF provisions of the Social Security Act and authorized the Secretary of Labor to provide WtW grants to States and local communities for transitional employment assistance to move the hard-to-employ TANF welfare recipients into unsubsidized jobs and economic self-sufficiency. Approximately 75 percent of the funds in each fiscal year will be distributed as formula grants to the States, with 85 percent to be passed through to local service delivery areas (SDAs) (generally, one or more units of local government with a population of 200,000 or more) in the States to be administered by the

Fatherhood conference
– there's a nice
bound copy of the
proceedings somewhere
but can't find right now.

to POTUS

# Feder C fere ce tre t e
# e e f F thers F es

**MAY 3, 1996**

**AGENDA**
[draft, subject to revisions]

7:30 - 8:30 a.m. — Registration

8:30 - 10:00 a.m. — Opening Session - Main Auditorium

Welcome
Vivian L. Gadsden, Director, National Center on Fathers and Families
Interim Director, Philadelphia Children's Network

Remarks and Introduction of the Vice President
Donna E. Shalala, Secretary of Health & Human Services

Remarks
Vice President Al Gore

Interactive Conversation with Vice President Gore:

- John H. Dalton, Secretary of the Navy
- Capt. Gregory Bryant, U.S. Marine Corps
- Gilberto Mario Moreno, Assistant Secretary for Intergovernmental and Interagency Affairs, Department of Education
- Donna E. Shalala, Secretary of Health & Human Services
- Joe Jones, Baltimore City Healthy Start's Men's Services
- Chaplain Gary P. Weeden, U.S. Coast Guard's - Dads University
- Federico F. Peña, Secretary of Transportation
- C. Coleman Harris, President, Mt. Vernon High School Parent, Teacher, Student Association
- Henry G. Cisneros, Secretary of Housing and Urban Development
- Victor Rush, Director, The Family Investment Center

| | |
|---|---|
| 10:30 - 12:00 p.m. | Workshops - Session I |
| | Working with Practitioners - Conf. Rooms F1 & F2<br>New Parent Support - Conf. Room B<br>Improving Federal Research on Fathers: Collaborative Strategies - Conf. Rooms C1 &C2<br>Fathers and Employment Strategies - Conf. Room E1<br>Fathers' Roles in Children's Learning: Models that Work - Auditorium Balcony B<br>Dads Do Count: Working with Nonresidential Fathers - Conf. Room A<br>Best Practices: Work and Family Programs - Conf. Room E2 |
| 12:00 - 1:00 p.m. | Buffet Luncheon - Cafeteria |
| 1:15 - 2:45 p.m. | Workshops - Session II |
| | Adolescent Males: Preparation for Fatherhood - Auditorium Balcony B<br>Through a Child's Eyes: Why Fathers Matter - Auditorium Balcony A<br>Reunion and Re-Integration Support for Fathers - Conf. Rooms F1 &F2<br>Working with Foundations - Conf. Rooms G1 & G2<br>Telecommuting - Conf. Room B<br>Youth Violence - Conf. Room E1<br>Fathers in Early Child Care - Conf. Rooms C1 &C2 |
| 2:45 - 4:00 p.m.. | Wrap Up Session - Main Auditorium |
| | Remarks |
| | Ken Canfield, President, National Center for Fathering |
| | Elaine Kamarck, Senior Policy Advisor for the Vice President |
| | Interactive Discussion with Audience |
| | Facilitator<br>Vivian L. Gadsden, Director, National Center on Fathers and Families<br>Interim Director, Philadelphia Children's Network |

10:30 - 12:00 p.m. WORKSHOP SESSION I

**WORKING WITH PRACTITIONERS - Conference Rooms F1 & F2**
Most communities probably have at least one program in existence that could serve as a springboard for a program to support fathers. In this session the National Practitioners Network for Fathers and Families (NPNFF) and the Father-to-Father Network will focus on the exciting things that are happening in the field. Both networks are composed of service providers, researchers, policymakers, and funders and will highlight programs at the local and national levels.

*Jim A. Levine, Director, The Fatherhood Project, Families and Work Institute*
*Edward W. Pitt, Associate Director, The Fatherhood Project, Families and Work Institute*
*Beverly Godwin, National Performance Review*

**GETTING READY: NEW PARENT SUPPORT - Conference Room B**
Most new parents need support and reassurance to fulfill their new responsibilities. This session highlights efforts by various departments to provide outreach and support services to new parents while seeking to engage fathers as full participants in the parenting process. A variety of programs, such as the New Parent Support program that seeks to prevent child abuse and enhances the father's active involvement in parenting and nurturing, will be discussed. This workshop will also demonstrate how work environments can make adjustments to support efforts that proactively engage young and new fathers.

*Lou Hessenflow, 89th Medical Group, Family Advocacy Program*
*Elizabeth Tuckermanty, National Program Leader, Families, 4-H and Nutrition*
*Donna Montegna, LCSW, Children Hospital*
*LTC Daniel McFerran, Department of Defense*

**IMPROVING FEDERAL RESEARCH ON FATHERS: COLLABORATIVE STRATEGIES - Conference Rooms C1 & C2**
This session explores the need for more father-focused federal research and presents strategies for overcoming barriers. The workshop will begin with a discussion of why federal research should focus more on fathers (married, divorced or never-married) and families. Panelists will describe data collection problems that impede our ability to collect detailed information about fathers, and also the issues involved in designing program evaluations that include father involvement. The workshop will conclude with a discussion of strategies that government agencies are using to improve federal research and collaborative efforts.

*Jeff Evans, National Institute for Child Health and Human Development, HHS*
*Anne Benson, Office of the Assistant Secretary for Planning and Evaluation, HHS*
*Alan Ginsberg, Department of Education*
*Don Hernandez, Census Bureau*
*Matt Stagner, Office of the Assistant Secretary for Planning and Evaluation, HHS*

**FATHERS AND EMPLOYMENT STRATEGIES - Conference Room E1**
Being able to provide for your children is at the core of many men's definition of successful fatherhood. But when a father is unemployed or underemployed, his ability to help his children may drive him away from any type of involvement or support. During the past several years, federal agencies in varied areas of public assistance have had very instructive experiences in developing employment strategies for fathers. Panelists will discuss effective strategies devised according to the employment and training needs of different types of low-income fathers, i.e., young fathers; non-custodial fathers of children receiving public assistance; fathers with child support orders versus fathers without orders; fathers with skills; low-skilled

fathers versus fathers with significant job experience. Examples of how government programs can improve the employability of low or no income fathers will be highlighted in this workshop.

*Kilolo Kijukazi, USDA, Food and Consumer Service*
*John Jolly, Office of Community Services, HHS*
*Sharon Rowser, Manpower Demonstration Research Corporation*
*Mark Fucello, Administration for Children and Families, HHS*
*Roxie Nicholson, Employment and Training Administration, Department of Labor*
*Barbara Cleveland, Office of Child Support Enforcement, HHS*

**FATHERS' ROLES IN CHILDREN'S LEARNING: MODELS THAT WORK - Auditorium Balcony A**
One very effective way that fathers can help support their children is to become actively involved in helping their children learn. This session presents successful programs in the community that actively involve fathers in their children's education. These programs can be adapted by other community and school based programs as well as by employers who are looking for ways to strengthen fathers' roles in children's learning.

*Marilyn Aklin, Executive Director, National Coalition of Title I/Chapter I Parents*
*Christopher L. Atchinson, Father*
*Menahem Herman, Office of the Undersecretary, Department of Education*
*Lynnette Pannucci, Even Start Coordinator*
*Larry C. Schrader, Principal and Director of Even Start, West Sand Lake Elementary School*
*Helen Taylor, Associate Commissioner, Head Start Bureau, HHS*
*Sheila Tucker, Director, St. Bernadine's Head Start & Adult Learning Center*
*Gilberto Mario Moreno, Assistant Secretary, Department of Education*

**DADS DO COUNT: WORKING WITH NONRESIDENTIAL FATHERS - Conference Room A**
Child Support is often at the top of the list of ways that non-residential fathers are considered important in the lives of their children. Child support is not the only way that non-residential fathers' count. This session will discuss why it is important for employers and program managers to understand and address the concerns of fathers who are not living with their children. Unresolved child support, custody, and child access issues all can lead to reduced employee productivity and decreased program effectiveness. This workshop will outline strategies for helping to resolve and reduce conflicts and increase parental involvement and support.

*David Levy, Library of Congress*
*Carol Williams, Children's Bureau, HHS*
*Sheck Chin, Office of Child Support Enforcement, HHS*
*David Gray Ross, Office of Child Support Enforcement, HHS*

**BEST PRACTICES: WORK AND FAMILY PROGRAMS - Conference Room E2**
Raising a family is hard work. Families often need access to resources and referrals to help them manage a crisis or meet daily needs. Employers have begun to realize that family situations effect productivity and morale. This session will focus on developing work and family programs that support fathers in the workplace. Programs such as the Connection Customer Service Center will be highlighted with a discussion to follow on services and programs that are currently being offered.

*Anice Nelson, Work & Family Program Center, Office of Personnel Management*
*Carol Neil, Work & Family Program Center, Central Intelligence Agency*
*Thomas Pugh, Project Office for Dependent Care, Social Security Administration*
*LCDR Gary P. Weeden, Chaplain Corps*
*Madeline Fried, Fried & Sher, Inc.*
*Suzette Paes, Team Leader, DOT Connection Customer Service Center*

1:15 - 2:45 p.m.    WORKSHOP SESSION II

**ADOLESCENT MALE : PREPARATION FOR FATHERHOOD - Auditorium Balcony B**
One important way to support and strengthen the role of fathers--and to promote responsible fatherhood--to help young men postpone fatherhood until they are able to assume the role both financially and emotionally. This workshop addresses how programs working with youth can address such issues as ensuring that young men understand their responsibility in preventing early unintended pregnancies; ensuring opportunities for young men to continue and complete their education and obtain other necessary skills for employment; and for those young men who become fathers before they are ready, offering instruction on infant and child development and helping young men to develop effective parenting skills.

*Susan Harding, DADS Program-Parent/Child Center*
*Walt Jones, Young Men as Fathers Program*
*Sheila Pierce, Famcare, Inc.*
*James Cox, Boys and Girls Club of America*
*Beverly Bachemin, Office of Policy Research, Department of Labor*
*Barbara Cohen, Office of Population Affairs, HHS*

**THROUGH A CHILD'S EYES: WHY FATHERS MATTER - Auditorium Balcony A**
Research findings on the impact of fathers on children are ambiguous, but children and program practitioners positively attest to the difference that having a loving and caring father can make in a child's life. This session focuses on how a child's needs are met through the presence and support of a father. The discussion will center on research findings on father involvement and lessons learned from successful fatherhood programs that target families with diverse needs. The outcome will be to provide conference attendees with the background essential to adapting their programs so that greater support will be provided for fathers and their interaction with the child.

*Vivian Gadsden, National Center on Fathers and Families/Philadelphia Children's Network*
*Charles Smith, Kansas State University/Kansas Cooperative Extension Service*
*Clarence Burris, Washington State Fathers Network*
*Marilyn Moses, National Institute of Justice, Department of Justice*
*Linda Johnston, Maternal and Child Health Bureau, HHS*

**REUNION AND RE-INTEGRATION SUPPORT FOR FATHERS - Conference Rooms F1 & F2**
Fathers may spend time away from their children for many reasons, including military deployments, civilian job transfers, overseas assignments, custody arrangements and institutionalization. This session highlights efforts by various departments to provide outreach and support services to fathers and families to ensure that the father's presence is retained. The workshop will include information that helps the father's reintegration back into the family in a healthy and positive manner.

*LTC Bradley Nystrom, Chief, Army Community Service*
*Carol Williams, Associate Commissioner, Children's Bureau, HHS*
*LCDR Robert Williams, Pastoral Care, U.S. Navy*
*LTC Daniel McFerran, Department of Defense*

**WORKING WITH FOUNDATIONS - Conference Rooms G1 & G2**
This session will focus on the efforts of the Funders Collaborative, which provides technical assistance and funding to organizations that work with fathers and fragile families. Representatives from the Collaborative, which includes the Ford Foundation, the Charles Stewart Mott Foundation, the Annie E. Casey Foundation and the Dartmouth Foundation, will lead a discussion that highlights the critical elements of designing a program that effectively involves fathers.

*Ellen Pagliaro, Planning Associate, The Annie E. Casey Foundation*
*Ronald Mincy, Program Office for Employment & Welfare, The Ford Foundation*
*Gaynor McCown, Domestic Policy Council*

**TELECOMMUTING - Conference Room B**

As more women enter the workforce, more child rearing responsibilities are shared by both mothers and fathers. To fulfill these responsibilities, fathers may need to reduce the amount of time spent at the office. This session incorporates both the "best practices" in federal telecommuting, highlights the National Telecommuting Initiative, and provides guidance on developing an action plan, recognizing that telecommuting will foster a family-friendly workplace and improves the quality of work life.

*Ed Weiner, Senior Policy Analyst, Department of Transportation*
*Sue Sears, Public Relations Director, AT&T*
*Warren Master, Office of Workplace Initiatives, General Services Administration*
*Gail Batt, Agency Telecommuting Coordinator, Department of Transportation*
*Darryl Dobberfuhl, Telecommuting Services Project Manger, Loral Federal Systems*

**YOUTH VIOLENCE - Conference Room E1**

Many communities throughout the United States are struggling with how to keep families safe. This workshop will discuss how programs that focus on fathers of teens and teenaged fathers have the potential to dissuade violence in communities. Panelists will discuss a variety of programs, such as ones that deal with gang violence, to demonstrate that there are creative interventions that lessen violence in communi throughout the country.

*Sarah Ingersoll, Special Assistant to the Administrator, OJJDP, Department of Justice*
*Gil Hall, SW Branch Director, Boys and Girls Club of Central Florida, Inc.*
*Tevitt Sullivan, Father, SW Branch boys and Girls Club of Central Florida, Inc.*
*Linda H. Lang, Director, Project D.A.R.E.*
*Elaine Rodney, Professor, Central State University*
*Jimmy Cunningham, Director, Family Life Center at Philander-Smith College*
*Kent Markus, Counsellor to the Attorney General for Youth Violence, Department of Justice*

**FATHERS IN EARLY CHILD CARE - Conference Rooms C1 & C2**

With more mothers in the labor force there is an increased need for fathers to become active care-givers. This session focuses on the strategies being utilized to involve fathers in early child care, as well as other child development programs, that increase awareness to the benefits children derive from male participation. The workshop will offer practical information on how to get fathers involved in early childhood programs; how to promote staff-father interactions; and how to create specific strategies that increase opportunities for father involvement. The workshop will also include a discussion on "lessons learned" from existing model programs.

*James A. Levine, Director, The Fatherhood Project, Work & Families Institute*
*Teresa Rafael, Parents Anonymous, Inc.*
*Gregory Martin, Life Roots, Philadelphia Child Guidance Center*
*Joan Lombardi, Child Care Bureau, HHS*

not sure if there
was HHS press
release or not –
check ACF web
site. But, here's
cover sheet for
final + proposed
rule publication

federal register

Wednesday
April 14, 1999

## Part II

# Department of Health and Human Services

**Administration for Children and Families**

**45 CFR Part 283**

**Implementation of Section 403(a)(2) of Social Security Act; Bonus To Reward Decrease in Illegitimacy Ratio; Final Rule**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Administration for Children and Families**

**45 CFR Part 283**

**RIN 0970–AB79**

## Implementation of Section 403(a)(2) of Social Security Act; Bonus To Reward Decrease in Illegitimacy Ratio

**AGENCY:** Administration for Children and Families, HHS.

**ACTION:** Final rule.

**SUMMARY:** The Administration for Children and Families is issuing a final rule describing how we will award a bonus to those States that experience the largest decreases in out-of-wedlock childbearing and also reduce their abortion rates. The total amount of the bonus will be up to $100 million in each of fiscal years 1999 through 2002, and the award for each eligible State in a given year will be $25 million or less.

This incentive provision is a part of the welfare reform block grant program enacted in 1996—the Temporary Assistance for Needy Families, or TANF, program.

**DATES:** This regulation is effective June 14, 1999.

**FOR FURTHER INFORMATION CONTACT:** Kelleen Kaye, Senior Program Analyst, Office of the Assistant Secretary for Planning and Evaluation, at (202) 401–6634; or Ken Maniha, Senior Program Analyst, Administration for Children and Families, at (202) 401–5372.

Deaf and hearing-impaired individuals may call the Federal Dual Party Relay Service at 1–800–877–8339 between 8:00 a.m. and 7:00 p.m. Eastern time.

**SUPPLEMENTARY INFORMATION:**

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### I. The Personal Responsibility and Work Opportunity Reconciliation Act

On August 22, 1996, President Clinton signed "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996"—or PRWORA—into law. The first title of this law (Pub.L. 104–193) established a comprehensive welfare reform program designed to change the nation's welfare system dramatically. The program is called Temporary Assistance for Needy Families, or TANF, in recognition of its focus on moving recipients into work and time-limited assistance.

PRWORA repealed the prior welfare program known as Aid to Families with Dependent Children (AFDC), which provided cash assistance to needy families on an entitlement basis. It also repealed the related programs known as the Job Opportunities and Basic Skills Training program (JOBS) and Emergency Assistance (EA).

The TANF program went into effect on July 1, 1997, except in States that elected to submit a complete plan and implement the program at an earlier date. It challenges Federal, State, Tribal and local governments to foster positive changes in the culture of the welfare system and to take more responsibility for program results and outcomes.

It also gives States the authority to use Federal welfare funds "in any manner that is reasonably calculated to accomplish the purpose" of the new program (see Legislative History below). It provides them broad flexibility to set eligibility rules and decide what benefits are most appropriate, and it offers States an opportunity to try new, far-reaching ideas so they can respond more effectively to the needs of families within their own unique environments.

### II. The Bonus Award

*A. Legislative History*

One of the greatest concerns of Congress in passing the PRWORA was the negative effect of out-of-wedlock births. This concern is reflected in the Congressional findings at section 101 of PRWORA. Here, Congress described the need to address issues relating to marriage, the stability of families, and the promotion of responsible fatherhood and motherhood. The issues cited were: the increasing number of children receiving public assistance; the increasing number of out-of-wedlock births; the negative consequences of an out-of-wedlock birth to the mother, the child, the family, and society; and the negative consequences of raising children in single-parent homes.

Congressional concern is also reflected in the goals of the TANF program and the inclusion of a performance bonus entitled "Bonus to Reward Decrease in Illegitimacy Ratio." One purpose of the TANF program, as stated in section 401(a)(3) of the Social Security Act, is to "prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies." In enacting the bonus provision, Congress intended to provide greater impetus to State efforts in this area and encourage State creativity in developing effective solutions.

*B. Summary of the Bonus Award Process*

This final rule implements section 403(a)(2) of the Social Security Act (the Act), "Bonus to Reward Decrease in Illegitimacy Ratio." In this final rule, we use the term "bonus" to refer to the bonus in section 403(a)(2) of the Act. We use the term "ratio" to refer to the ratio of out-of-wedlock births to total births.

As specified in section 403(a)(2) of the Act, we will award up to $100 million annually, in each of fiscal years 1999 through 2002. The amount of the bonus for each eligible State in a given year will be $25 million or less. For the purposes of this award, States include the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, and American Samoa. While the criteria for determining bonus eligibility for Guam, the Virgin Islands, and American Samoa are the same as for the remaining States, their eligibility is determined separately and the determination of their bonus amount is different, as specified in the statute in sections 403(a)(2)(B)(ii) (Amount of Grant) and 403(a)(2)(C)(i)(I) (definition of eligible State).

Briefly, we will award the bonus as follows:

- We will calculate the ratio of out-of-wedlock births to total births for each State for the most recent two-year period for which data are available and for the prior two-year period. To compute these ratios, we will use the vital statistics data compiled annually by the National Center for Health Statistics and based on records submitted by the States.
- For States other than Guam, the Virgin Islands, and American Samoa, we will identify the five States that had the largest proportionate decrease in

federal register

Monday
March 2, 1998

# Part II

# Department of Health and Human Services

## Administration for Children and Families

45 CFR Part 283
Implementation of Section 403(a)(2) of Social Security Act Bonus To Reward Decrease in Illegitimacy; Proposed Rule

HUD release of
Sec. 8 homeownership
rule. ✓

See Margie for info
for actual rule

# hud NEWS

**Department of Housing and Urban Development – Andrew Cuomo, Secretary**
**Office of Public Affairs, Washington, DC 20410**

HUD No. 00-231
(202) 708-0685
http://www.hud.gov/news.html

FOR RELEASE
Monday
September 11, 2000

*RENTAL VOUCHERS TO HELP FIRST-TIME HOMEBUYERS*

## CUOMO MAKES THE AMERICAN DREAM ACHIEVABLE FOR ONE MILLION

NEW YORK – Housing and Urban Development Secretary Andrew Cuomo today unveiled a new program that makes the dream of homeownership achievable for more than one million working families now receiving HUD Section 8 rental assistance vouchers. Under the program, Section 8 rental assistance vouchers can be used to purchase homes.

"Homeownership is the best way to build strong, vital neighborhoods," Cuomo said. "Under President Clinton's leadership, homeownership rates in the U.S. reached record levels. Thanks to the legislation he signed, today we can tell 1.4 million families you don't have to be a renter forever, you can be an owner, and we're going to help you do it." Secretary Cuomo announced the program during a speech today in New York at Columbia University's prestigious Moran Weston Lecture Series.

The new homeowner program reflects years of work by the Clinton Administration and the program received favorable marks when it was tested last fall in more than a dozen locations including, Syracuse, NY; Danville, VA, Philadelphia, PA; Nashville, TN; Charlottesville, VA; Yonkers, NY; Montgomery County, PA; Suffolk County, NY; Las Vegas, NV; southwest Virginia; and Colorado, Hawaii, Vermont and Mississippi.

"A dozen families have purchased homes during our pilot program and the public comments HUD received were overwhelmingly in favor of expanding use of the vouchers to cover mortgage payments to the entire nation," explained Cuomo. "This program makes good sense, if a person can pay a mortgage for the same amount or less than they could pay the rent, why not allow them?"

Once the program goes into effect in October, vouchers may be used to purchase a new home, an existing single-family home, a home under construction or shares in a cooperative.

-more-

The nation's 2,700 public housing agencies (PHAs) oversee the program, determining eligibility, and enforcing the rules.

To participate in the program, a family must be eligible for the Section 8 voucher program. In addition, a family must be a first-time homebuyer, have an annual household income of at least $10,300 and, except for the elderly or disabled, have at least one adult member who has been employed full-time for a year. In addition, welfare income will only be counted toward the minimum income requirement in the case of the elderly or disabled.

Vouchers may be used for 15 years if the mortgage is for 20 years or longer, and or up to 10 years for a mortgage of shorter duration. The voucher amount for homeownership will be the same as those for rental assistance.

No member of a participating family can be a homeowner for at least three years prior to receiving homeownership assistance, and may not have any financial interest in a second home while receiving assistance.

Prior to receiving assistance, the family must also attend free counseling sessions to better understand home financing, fair housing practices, home maintenance, and money management. PHAs may also require a family to participate in post-ownership counseling programs.

If a family sells or refinances a home purchased under this program during the first 10 years of assistance, a portion of the home's equity may be returned to the PHA.

Each family is responsible for selecting a lender. The housing authority may review lender qualifications and loan terms before approving assistance, and may disapprove proposed financing or refinancing. Local or state community development block grant funds or other subsidies may also be used in conjunction with the program.

Two inspections must be completed prior to the purchase of a home. The first will be conducted by the PHA to insure that the home meets certain standards, and the second will be conducted by an independent certified home inspector, selected and paid for by the family, to identify any needed repairs.

If a family default on the mortgage while in the program, they may still be eligible to receive Section 8 rental assistance, but the mortgage plan is no longer an option.

HUD recently awarded 60,000 new rental assistance vouchers to some 500 housing authorities that may be used for new homeowner program.

\# # #

Final TANF rule
~~released~~ in radio
announced ✓
address (you have it
on the timeline) -

proposed rule
announced @ Wichita
event 11/17/97 ✓

THE WHITE HOUSE

Office of the Press Secretary
(Philadelphia, Pennsylvania)

For Immediate Release April 10, 1999

RADIO ADDRESS OF THE PRESIDENT
TO THE NATION

THE PRESIDENT: Good morning. Today I want to talk to you about our continuing efforts to break the cycle of dependency and make responsibility and work a way of life for all Americans.

Work is more than just a weekly paycheck. It is at heart, our way of life. Work lends purpose and dignity to our lives, instills in our children the basic values that built our nation. But for too long, too many Americans were trapped in a broken welfare system that exiled generation after generation from the mainstream of American life by cutting them off from the world of work.

I took office determined to change that, from giving states the flexibility they needed to make welfare a second chance, not a way of life; to passing the historic bipartisan welfare reform bill that ended welfare as we knew it; to launching the Welfare to Work partnership to create private sector jobs for welfare systems. We have made remarkable progress.

Today, I am pleased to announce that since 1993 we cut the welfare rolls nearly in half by a record 6.5 million people. Thanks to our strong economy and strong leadership in the states and the private sector, the number of Americans who are beginning to replace welfare checks with paychecks has tripled since 1992. I'm proud to announce that we in the national government are doing our part to help, surpassing the goal we set for ourselves by hiring almost 12,000 welfare recipients in just two years.

You can see the evidence of our progress in communities across our country, in hard-pressed neighborhoods where bus drivers who used to pass by empty stations now report their buses are filled with people on their way to work. You can see it on inner-city streets where a new storefront, tax preparing businesses, are helping people file their income tax returns -- some for the very first time in their lives. April 15th may not be the most favorite day for Americans, but for these people it's a cause for celebration.

Reforming our broken welfare system was the right thing to do. Now we must finish the job. Today, I am pleased to unveil the final rules that will carry out the Welfare Reform Bill I signed into law in 1996. This major new regulation does two important things. First, it enforces strict state work requirements and holds states accountable for moving people from the welfare rolls to the work place. Second, the new regulation makes it easier for states to use their welfare block grant to pay for child care, for transportation, for job retention services, to help people who have left welfare stay off the rolls and help families from going on welfare in the first place.

This regulation says loud and clear people ought to get paychecks, not welfare checks. But to finish the job on welfare reform, we must press on in our efforts to restore responsibility and make work a way of life again for all Americans. Now, in this time of great prosperity, with our economy booming and our confidence high, we can't afford to leave anyone behind.

One of the biggest obstacles facing all working families is finding child care they can afford and trust. I'm pleased that the Senate recently approved with bipartisan support significant new funding to help low income families pay for child care. I hope Congress takes this critical step to give America's working families the support they need to thrive. Frankly, I hope they will also pass the rest of my child care proposal to give tax credits and other support to working families. That will help more people move from welfare to work and stay off welfare.

Finally, we can't finish the job of welfare reform without doing more to help people who have the hardest time moving from welfare to work -- those who live in the poorest neighborhoods and have the poorest job skills. That's why I call on Congress to pass my plan to extend the Labor Department's Welfare to Work program and to fully fund my proposal to provide transportation grants and housing vouchers that will help more Americans leave welfare behind by getting from where they are to where the jobs are.

With these steps, we can make the legacy of welfare dependency a memory of the 20th century and build a community of work and responsibility in the 21st century.

Thanks for listening.

END

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release April 10, 1999

PRESIDENT CLINTON WILL ANNOUNCE RECORD CASELOAD DECLINE AND LANDMARK WELFARE REFORM RULES TO PROMOTE WORK

April 10, 1999

Today, President Clinton will announce that welfare caseloads have fallen by a record 6.5 million people since he took office, falling by half or more in 29 states and nearly half nationwide. The President will unveil landmark new welfare regulations which will promote work and help those who have left the rolls succeed in the workforce and stay off welfare. He will call on Congress to do more to help working families obtain child care, housing, and transportation and to assist welfare recipients with the greatest challenges to employment by reauthorizing the Department of Labor's Welfare-to-Work program.

Welfare Rolls Decline As More Recipients Go to Work

President Clinton will announce that welfare caseloads are at their lowest level since 1969 and that welfare rolls have fallen by nearly half since he took office. The number of recipients fell from 14.1 million in January 1993 to 7.6 million in December 1998 -- 342,000 fewer recipients than 3 months earlier and more than 6.5 million since he took office, a drop of 46 percent. The rolls have declined by 4.6 million people, or 38 percent, since he signed the welfare law in August 1996. Since 1993, welfare rolls have declined in all states, with 29 states recording declines of half or more. The President will also announce today that the federal government has hired nearly 12,000 welfare recipients, exceeding the 10,000 goal set two years ago this month. Today's announcements add to earlier statistics showing that companies in the Welfare to Work Partnership have hired over 410,000 welfare recipients, the percentage of welfare recipients working has tripled since 1992, an estimated 1.5 million people who were on welfare in 1997 were working in 1998, and all states met the first overall work participation rates required under the welfare reform law.

Final Welfare Regulations Promote Work and State Innovation

Six years after he began his efforts to end welfare as we know it, and two and a half years after signing into law historic welfare reform legislation, today the President will announce landmark regulations enforcing the law's strict work requirements. First, these rules will hold states accountable for measurable results in moving families into work while providing flexibility for states to create innovative programs that build on the successes of welfare reform. Second, to ensure the millions of people who have left the welfare rolls succeed in the workforce -- and to keep others from going on welfare in the first place -- these final welfare regulations will make it easier for states to use TANF funds to provide supports for working families such as child care, transportation, and job retention services. These regulations mark an important milestone in the transformation of our welfare system into one that honors our values of work, responsibility, and family.

Call on Congress to Do More to Help Working Families and Help Those Still on Rolls

The President will call upon Congress to do more to ensure those still on the welfare rolls go to work by urging Congress to reauthorize the Department of Labor's Welfare-to-Work program to increase the employment of long-term recipients in high poverty areas and help low-income fathers better support their children, and to fully fund his welfare to work transportation and housing vouchers proposals. The President will also call on Congress to take bipartisan action this year to address the critical child care needs of America's working families. According to the most recent figures, ten million families are eligible for federal subsidies, yet only 1.25 million received support in 1997. In March, the Senate voted by a bipartisan majority of 57 - 40 to set aside $12 billion over 10 years for child care in its budget resolution.

###

Welfare-to-Work
Commitments and Hires through March 22, 1999
as Reported by the U.S. Office of Personnel Management

Report prepared: 2/2/1999, 10:30

| Agency | Total Commitment Thru 2000 | Hires Reported Thru March 2000 | % of Total Year 2000 Commitment Hired Since 3/8/97 |
|---|---|---|---|
| Commodity Futures Trading Commission | -- | 3 | -- |
| Department of Agriculture | 375 | 398 | 106% |
| Department of Commerce | 4180 | 4188 | 100% |
| Department of Defense | 1600 | 2107 | 132% |
| Department of Education | 21 | 26 | 124% |
| Department of Energy | 55 | 70 | 127% |
| Department of Health & Human Services | 300 | 319 | 106% |
| Department of Housing & | 200 | 134 | 67% |
| Department of the Interior | 325 | 216 | 66% |
| Department of Justice | 450 | 254 | 56% |
| Department of Labor | 120 | 153 | 128% |
| Department of State | 220 | 56 | 25% |
| Department of Transportation | 400 | 253 | 63% |

| | | | |
|---|---|---|---|
| Department of the Treasury | 405 | 1514 | 374% |
| Department of Veterans Affairs | 800 | 1358 | 170% |
| Environmental Protection Agency | 120 | 82 | 68% |
| Equal Employment Opportunity Commission | -- | 9 | -- |
| Executive Office of the President | 6 | 8 | 133% |
| Federal Emergency Management Agency | 125 | 60 | 48% |
| General Services Administration | 121 | 95 | 79% |
| National Aeronautics & Space Administration | 40 | 24 | 60% |
| National Archives & Records Administration | -- | 30 | -- |
| National Credit Union Administration | -- | 5 | -- |
| National Endowment for the Humanities | -- | 1 | -- |
| National Labor Relations Board | -- | 1 | -- |
| Office of Government Ethics | -- | 1 | -- |
| Office of Personnel Management | 25 | 57 | 228% |
| Railroad Retirement Board | -- | 1 | -- |
| Securities & Exchange Commission | 10 | 12 | 120% |
| Small Business Administration | 120 | 61 | 51% |
| Social Security Administration | 600 | 434 | 72% |
| U.S. Information Agency | 20 | 27 | 135% |
| U.S. Nuclear Regulatory Commission | -- | 1 | -- |
| TOTAL | 10638 | 11958 | 112% |

Julie -
we should add
release of proposed +
final TANF rule
(attached), along
w/ encouraging HHS
to hold 3 regional
conferences on Tribal TANF
+ WtW. (see attached)

**MARTHA HENNEGHAN <mhenneghe@OS.DHHS.GOV>**
02/18/2000 10:29:25 AM

Please respond to mhenneghe@os.dhhs.gov

Record Type: Record

To: HHSPRESS@LIST.NIH.GOV

cc:

Subject: HHS PRESS RELEASE--TRIBAL WELFARE PROGRAMS

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Date: February 18, 2000
For Release: Immediately
Contact: Michael Kharfen (202) 401-9215

Headline: HHS ISSUES NEW RULES GOVERNING TRIBAL WELFARE PROGRAMS

HHS Secretary Donna E. Shalala announced today the publication of a final regulation governing key provisions of the tribal Temporary Assistance to Needy Families (TANF) program as it applies to tribal governments. The 1996 welfare reform law, for the first time, gave the option to tribes to either operate their own welfare programs or continue to have families served by state welfare programs. This choice allows federally recognized Indian tribes or consortia of such tribes, to apply for funding to independently design, administer, and operate their own tribal TANF programs and welfare-to-work activities.

"When President Clinton signed the welfare law, he wrote a new chapter in the sovereign to sovereign governmental relationship between Washington and the tribes. This regulation gives tribes an unprecedented opportunity to design welfare programs or run welfare-to-work activities that are consistent with their unique cultures," said Secretary Shalala. "I am confident that this new rule provides viable choices for tribes that will help American Indians and Alaska Natives move toward increased economic self-sufficiency with respect for their history and the flexibility to develop innovative programs to meet the needs of tribal families."

The new tribal TANF regulations provide tribes and tribal consortia with a clear and balanced set of rules for complying with the law's performance goals of moving families into work, time limiting assistance and promoting parental responsibility. They cover requirements relating to use of funds, program elements, accountability, and data collecting and reporting. Consistent with the statute, the final rules provide tribes with flexibility to consider such factors as economic conditions and resources available to the tribe in determining work requirements, and provide for a process of negotiation with HHS in establishing time limits on assistance.

Currently there are 22 approved TANF plans in 12 states affecting 94 tribes and Alaska Native villages. These programs are serving approximately 4,480 families with more than 15,700 members. There are an additional 22 plans pending which would cover 78 tribes and villages, more than quadrupling the number of families served to over 17,800 with some 62,300 members. In 1998, there were approximately 44,700 tribal families on welfare. If all pending plans were approved, tribes would serve nearly half of all tribal families in the country.

In developing their TANF plans, tribes have the flexibility to design a program to fit their own needs, while taking into consideration such factors as economic conditions, geography, tribal infrastructure, social and cultural characteristics and specialized service requirements. Tribes may establish such elements of the program as the service area and population (all Indian families within the service area or solely the enrolled members of the tribe), time limits, benefits, the definition of "family," eligibility criteria, and allowable work activities.

"These regulations encourage flexibility, innovation and resourcefulness," said Olivia A. Golden, HHS assistant secretary for children and families. "Native Americans have already demonstrated an outstanding ability to design TANF and welfare-to-work programs to meet the needs of tribal members and the goals of welfare reform. This rule will help us work together even more effectively to help Native American families achieve economic independence."

Tribes can also receive direct federal funding through the Native Employment Works (NEW) program to develop and run welfare to work activities that meet the unique employment and training needs of their population, while allowing states to provide other TANF services. These work activities include job search, placement, work experience, on-the-job training, job creation and economic development activities. Supportive and job retention services may also be provided. Indian tribes, including Alaska Native organizations, which operated a tribal JOBS program in FY 1995 are eligible for NEW program grants.

In 1998, 78 tribes received NEW grants serving over 14,000 participants. Over 4,000 adults entered employment, while an additional 4,000 achieved other program goals such as earning a high school or GED diploma or completing a training program.

The effective date of the final rule is June 17, 2000.

###

Note: For other HHS Press Releases and Fact Sheets pertaining to the subject of this announcement, please visit our Press Release and Fact Sheet search engine at http://www.hhs.gov/news/press/.

federal register

Wednesday
July 22, 1998

# Part II

# Department of Health and Human Services

## Administration for Children and Families

**45 CFR Parts 286–287**

**Tribal Temporary Assistance for Needy Families Program (Tribal TANF) and Native ~~Employment~~ Works (NEW) Program~~; Proposed~~ Rule**

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

45 CFR Parts 286 and 287

RIN 0970–AB78

# Tribal Temporary Assistance for Needy Families Program (Tribal TANF) and Native Employment Works (NEW) Program

**AGENCY:** Administration for Children and Families, HHS.

**ACTION:** Proposed rule.

**SUMMARY:** The Administration for Children and Families (ACF) proposes to issue regulations to implement key Tribal provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and the Balanced Budget Act of 1997, Pub. L. 105–33. PRWORA established the Tribal Temporary Assistance for Needy Families program and a tribal work program which we have named the Native Employment Works (NEW) program at the suggestion of some Indian tribes. The Balanced Budget Act of 1997 made technical corrections to PRWORA.

**DATES:** You must submit comments by September 21, 1998.

**ADDRESSES:** You may mail or hand-deliver comments to the Administration for Children and Families, Office of Community Services, Division of Tribal Services, 5th Floor, 370 L'Enfant Promenade, SW, Washington, DC 20447. You may also transmit written comments electronically via the Internet. To transmit comments electronically, or download an electronic version of the proposed rule, you should access the ACF Welfare Reform Home Page at http://www.acf.dhhs.gov/news/welfare and follow any instructions provided.

We will make all comments available for public inspection on the 5th Floor, 901 D Street, SW, Washington, DC 20447, from Monday through Friday between the hours of 9 a.m. and 4 p.m. Eastern time, except for holidays. For additional information, see **SUPPLEMENTARY INFORMATION** section of the preamble.

**FOR FURTHER INFORMATION, CONTACT:** John Bushman, Director, Division of Tribal Services, Office of Community Services, ACF, at 202–401–2418, Raymond Apodaca, at 202–401–5020 or Ja-Na Oliver, NEW Team Leader at 202–401–5713.

Deaf and hearing-impaired individuals may call the Federal Dual Party Relay Service at 1–800–877–8339 from Monday through Friday between the hours of 8 a.m. and 7 p.m. Eastern time.

**SUPPLEMENTARY INFORMATION:**

**Comment Procedures**

We will not consider comments received beyond the 60-day comment period in developing the final rule. Because of the large volume of comments we anticipate, we will accept written comments only. In addition, your comments should:

- Be specific;
- Address issues raised by the proposed rule;
- Where appropriate, propose alternatives;
- Explain reasons for any objections or recommended changes; and
- Reference the specific section of the proposed rule that you are addressing.

We will not acknowledge the comments we receive. However, we will review and consider all comments that are germane and that are received during the comment period.

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## I. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996

On August 22, 1996, President Clinton signed the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (PRWORA) into law. The first title of this new law (Pub. L. 104–193) establishes a comprehensive welfare reform program which is designed to change the nation's welfare system. The new program is called Temporary Assistance for Needy Families, or TANF, in recognition of its focus on moving recipients into work and time-limited assistance.

PRWORA repeals the existing welfare program known as Aid to Families with Dependent Children (AFDC), which provided cash assistance to needy families on an entitlement basis. It also repeals the related programs known as the Job Opportunities and Basic Skills Training (JOBS) program and Emergency Assistance (EA).

The new law reflects agreement on several key principles:

- Welfare programs should be designed to help move people from welfare to work.
- Welfare should be a short-term, transitional experience, not a way of life.
- Parents should receive the child care and the health care they need to protect their children as they move from welfare to work.
- Child support programs should become tougher and more effective in securing support from absent parents.
- Because many factors contribute to poverty and dependency, solutions to these problems should not be "one size fits all." The system should allow States, Tribes, and localities to develop diverse and creative responses to their own problems.
- The Federal government should place more emphasis on program results.

The new law provides federally-recognized Indian tribes, or consortia of such Tribes, the opportunity to apply for funding under section 412 of the Social Security Act (or the Act), as amended by PRWORA, to operate their own TANF programs beginning July 1, 1997.

Indian tribes that choose to administer a Tribal TANF program have been given broad flexibility to set TANF eligibility rules and to decide what benefits are most appropriate for their service areas and populations. Tribes may try new, far-reaching approaches that can respond more effectively to the needs of families within their own unique environments. The TANF program challenges Tribal governments to foster positive changes in the culture of the welfare system and to take responsibility for program results and outcomes.

Under the new statute, TANF funding and assistance for families comes with new expectations and responsibilities. Adults receiving assistance are expected to engage in work activities and develop the capability to support themselves and their families before their time-limited assistance runs out. Tribes who take on the responsibility for administering a TANF program will be expected to

Federal Register

Friday,
February 18, 2000

# Part II

# Department of Health and Human Services

## Administration for Children and Families

45 CFR Parts 286 and 287

**Tribal Temporary Assistance for Needy Families Program (Tribal TANF) and Native Employment Works (NEW) Program; Final Rule**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Administration for Children and Families**

**45 CFR Parts 286 and 287**

**RIN 0970–AB78**

## Tribal Temporary Assistance for Needy Families Program (Tribal TANF) and Native Employment Works (NEW) Program

**AGENCY:** Administration for Children and Families, HHS.

**ACTION:** Final rule.

**SUMMARY:** The Administration for Children and Families is issuing final regulations to implement key tribal provisions of the new welfare block grant program enacted in 1996—the Temporary Assistance for Needy Families, or TANF program and the new tribal work activities program—the Native Employment Works, or NEW Program. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104–193, established the Tribal TANF and NEW Programs. Subsequent technical changes were enacted by the Balanced Budget Act of 1997, Public Law 105–33. The TANF block grant program replaces the national welfare program known as Aid to Families with Dependent Children (AFDC) and the related programs known as the Job Opportunities and Basic Skills Training Program (JOBS) and the Emergency Assistance (EA) program.

These Final Rules reflect new Federal, Tribal, and State relationships in the administration of welfare programs; a new focus on moving TANF recipients into work; and a new emphasis on program information, measurement, and performance. They also reflect the Administration's commitment to regulatory reform.

**EFFECTIVE DATE:** These Final Rules are effective June 19, 2000.

**FOR FURTHER INFORMATION CONTACT:** John Bushman, Director, Division of Tribal Services, Office of Community Services, Administration for Children and Families (ACF), at 202–401–2418, Raymond Apodaca, Tribal TANF Team Leader, at 202–401–5020, or Ja-Na Oliver-Bordes, NEW Team Leader, at 202–401–5713.

Deaf and hearing impaired individuals may call the Federal Dual Party Relay Service at 1–800–877–8339 between 8 a.m. and 7 p.m. eastern time.

**SUPPLEMENTARY INFORMATION:** On July 22, 1998, ACF published in the **Federal Register** (63 FR 39365–39429) a Notice of Proposed Rulemaking (NPRM) that covered key Tribal TANF provisions of the new welfare block grant program, known as Temporary Assistance for Needy Families, or TANF. In addition, the NPRM covered key provisions of the Native Employment Works (NEW) program. We provided an extended 120-day comment period which ended on November 20, 1998. We offered commenters the opportunity to submit comments by mail or electronically via our web site. A number of commenters took advantage of this electronic access, but the majority of the comments we received were through the mail.

### Comment Overview

We received an estimated 400 comments on the NPRM from 46 separate commenters. The largest number of comments came from tribal governments, followed by state agencies, and tribal organizations. For several reasons, we decided not to attempt precise numerical counts of the comments received. First, several comments had multiple signatories and others provided general endorsements of the comments of other parties. Also, commenters presented their views of overlapping and cross-cutting issues in many different ways; for example, some commented generically about major provisions of the proposed rule, while others provided specific suggestions about alternative approaches, words, and phrases. The diversity in the approach of commenters made precision in tallying comments impossible. Nevertheless, we are confident that this preamble accurately conveys the scope and nature of the comments received.

In the preamble to the proposed rule we discussed our general approach to some of the major cross-cutting issues up front, prior to the section-by-section analysis. Many of the commenters organized their comments in the same way, addressing the issues thematically instead of following the specific structure of the rule. This preamble follows that same basic format, presenting a separate discussion of cross-cutting issues apart from the separate section-by-section analysis (e.g., consultation, child support, plan format).

The discussion of data collection and reporting issues is presented in several places—the preambles for part 286 (Tribal TANF) and part 287 (NEW), and the preamble discussion entitled the "Paperwork Reduction Act" in the "Regulatory Impact Analyses" section of the preamble.

We believe that structuring the preamble this way enables us to provide a clearer framework for the specific regulatory provisions and to represent the commenters' concerns most accurately.

We appreciate the time and attention that commenters gave to reviewing the NPRM and preparing their comments, and we have reviewed and considered each. As a result of their efforts, we have been able to resolve certain technical and administrative issues, incorporate numerous substantive revisions to the proposed rule, make key clarifications of policy goals, and consider alternative regulatory approaches.

**Table of Contents**



### I. Overview: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996

On August 22, 1996, President Clinton signed "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (PRWORA

## CONFERENCE ANNOUNCEMENT

In Spring 2000, the U.S. Department of Health and Human Services, Administration for Children and Families (ACF) was host to three conferences entitled **"Empowering Tribal Families in the New Millennium."** These conferences introduced the federal regulations that will govern the tribal administration of the Temporary Assistance for Needy Families (TANF) and the Native Employment Works (NEW) programs. Along with the introduction and discussion of the tribal TANF regulations, participants gained a broader understanding of welfare reform issues in Indian Country as well as learned about other federal programs that can assist tribal families in moving toward self-sufficiency.

The goals of the conference were to provide information that will assist tribal officials in determining whether to exercise the option to administer a tribal TANF program in their community. In order to ensure consistency with the regulations these conferences also provided assistance to those tribes who are already operating TANF and NEW programs. Through interactions and assemblies at the conference participants received information which enabled the design of effective strategies to assist tribal families in becoming self-sufficient. The conference concluded with a discussion among tribal, state and federal officials about issues that come with providing assistance to tribal children and families in need of TANF services, whether the tribe or the state provides those services.

**Slide Show**

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**Return to Council Page**

**Return to ANA Homepage**

ACF Homepage | DHHS Homepage

**Timeline of Significant Executive Actions and Statements Relating to Domestic Policy**
**Second Term: January 21, 1997-January 19, 2001**
(shown in reverse chronological order)

## 2000:

**11 August** — **Executive Order 13166**, Improving Access to Services for Persons with Limited English Proficiency.

**26 July** — **Executive Order 13164**, Requiring Federal Agencies to Establish Procedures to Facilitate the Provision of Reasonable Accommodations.

**26 July** — **Executive Order 13163**, Increasing the Opportunity for Individuals with Disabilities to be Employed in the Federal Government.

**26 July** — **Memorandum** on Employing People with Significant Disabilities to Fill Federal Agency Jobs That Can Be Performed at Alternate Work Sites, Including the Home, for the Heads of Executive Agencies and Departments.

**17 July** — Statement on the Community Reinvestment Act, The White House.

**29 June** — **Executive Order 13161**, Establishment of the Presidential Medal of Valor for Public Safety.

**27 June** — **Memorandum** on Expanding Access to Smoking Cessation Programs, for the Heads of Executive Agencies and Departments.

**23 June** — **Memorandum** on Enhancing Efforts to Promote the Health of Our Young People Through Physical Activity and Participation in Sports, for the Heads of Executive Agencies and Departments.

**15 June** — Remarks at the White House Strategy Session on Improving Hispanic Student Achievement.

**7 June** — **Memorandum** on Increasing Participation of Medicare Beneficiaries in Clinical Trials, for the Secretary of Health and Human Services.

**21 May** — Remarks, on Administration Accomplishments, to the Democratic Leadership Council, Hyde Park, NY.

**17 May** — **Memorandum** on Strengthening Our Commitment to Service through Voluntary Opportunities, for the Heads of Executive Agencies and Departments.

**15 May** — **Memorandum** on Honoring the Extraordinary Valor of Our Public Safety Officers, for the Attorney General.

**10 May** — **Executive Order 13155**, Access to HIV/AIDS Pharmaceuticals and Medical Technologies.

| | |
|---|---|
| **5 May** | **Memorandum** on Reducing the Risk of Listeria Monocytogenes, for the Secretary of Agriculture and the Secretary of Health and Human Services. |
| **4 May** | **Memorandum** on Additional Guidelines for Charter Schools, for the Secretary of Education. |
| **4 May** | Remarks on Education Reform and Charter Schools at City Academy, St. Paul, MN. |
| **3 May** | **Executive Order 13153**, Actions to Improve Low-Performing Schools. |
| **2 May** | Remarks at the White House Conference on Raising Teenagers and Resourceful Youth. |
| **25 April** | Remarks on the Proposed Hate Crimes Legislation, The White House. |
| **19 April** | **Memorandum** on International Education Policy, for the Secretary of Education. |
| **17 March** | Remarks on the Gun Safety Agreement with Smith and Wesson, and an Exchange with Reporters, The White House. |
| **12 April** | Remarks at a Gun Safety Rally, Denver, CO. |
| **9 March** | Remarks on Medicare Prescription Drug Benefit Legislation and an Exchange with Reporters, The White House. |
| **8 March** | **Executive Order 13147**, White House Commission on Complementary and Alternative Medicine Policy. |
| **8 March** | Remarks on Minimum Wage Legislation, The White House. |
| **7 March** | **Memorandum** on Dedicating Federal Housing Administration Revenues for Affordable Housing, for the Secretary of Housing and Urban Development, the Director of The Office of Management and Budget, and the Director of the Domestic Policy Council. |
| **2 March** | Remarks on the Patient's Bill of Rights Legislation, The White House. |
| **25 February** | Remarks on Funding for Native American Programs, on departure from The White House. |
| **23 February** | Remarks Announcing Budget Initiatives on Transportation for Working Families, The White House. |
| **22 February** | Remarks on Efforts to Improve Patient Safety, The White House. |

**8 February** **Executive Order 13145**, To Prohibit Discrimination in Federal Employment Based on Genetic Information

## 1999:

**17 December** **Memorandum** on the Use of Information Technology to Improve our Society, for the Heads of Executive Agencies and Departments.

**17 December** Statement on Signing the Ticket to Work and Work Incentives Act of 1999, The White House.

**9 December** **Memorandum** on "Narrowing the Digital Divide: Creating Opportunities for All Americans in the Information Age," for the Heads of Executive Agencies and Departments.

**7 December** **Memorandum** on "Improving Health Care Quality and Ensuring Patient Safety: Directive to the Quality Interagency Coordination Task Force," for the Secretary of Defense, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Veteran's Affairs, and the Director of the Office of Management and Budget.

**6 December** Statement on Signing the Healthcare Research and Quality Act of 1999, The White House.

**6 November** **Memorandum** on Protecting Consumers from Fraud, for the Attorney General.

**22 October** **Memorandum** on "Supporting the Role of Nonprofit Organizations: Interagency Task Force on Nonprofits and Government," for the Heads of Executive Agencies and Departments.

**22 October** Remarks at the White House Conference on Philanthropy.

**16 October** **Memorandum** on Hiring People with Disabilities in the Federal Government, for the Heads of Executive Agencies and Departments.

**15 October** **Memorandum** on the White House Council on Youth Violence, for the Attorney General, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Education, and the Assistant to the President for Domestic Policy.

**12 October** **Memorandum** on School-Based Health Insurance Outreach for Children, for the Secretary of Health and Human Services and the Secretary of Agriculture.

**7 July** **Executive Order 13125**, Increasing Participation of Asian Americans and Pacific Islanders in Federal Programs.

**7 July** Remarks, on Economic and Community Development, at Pine Ridge Indian Reservation, Pine Ridge, SD.

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| **3 July** | **Memorandum** on the Safety of Imported Foods, for the Heads of Executive Agencies and Departments. |
| **2 July** | **Memorandum** on the Federal Worker 2000 Presidential Initiative, for the Heads of Executive Agencies and Departments. |
| **17 June** | **Memorandum** on Strengthening Our Commitment to Service Through Voluntary Opportunities, for the Heads of Executive Agencies and Departments. |
| **9 June** | **Memorandum** on Fairness in Law Enforcement: Collection Data, for the Secretary of the Treasury, the Attorney General, and the Secretary of the Interior. |
| **7 June** | Remarks at the White House Conference on Mental Health. |
| **4 June** | **Executive Order 13124**, Amending the Civil Service Rules Relating to Federal Employees with Psychiatric Disabilities. |
| **3 June** | **Executive Order 13123**, Greening the Government Through Efficient Energy Management. |
| **29 May** | **Memorandum** on Clean Water Protection, for the Secretary of the Interior, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency. |
| **24 May** | **Memorandum** on New Tools to Help Parents Balance Work and Family, for the Heads of Executive Agencies and Departments. |
| **30 April** | Remarks Announcing Measure to Address School Violence, The White House. |
| **29 April** | Remarks on Signing the Education Flexibility Partnership Act of 1999, The White House. |
| **27 April** | Remarks Announcing Proposed Gun Control Legislation, The White House. |
| **22 April** | Remarks in a Roundtable Discussion on Violence in Schools at T.C. Williams High School, Alexandria, VA. |
| **6 April** | **Memorandum** on Annual Reports on Hate Crimes in Schools and College Campuses, for the Secretary of Education and the Attorney General. |
| **6 April** | Remarks on the Proposed Hate Crimes Prevention Act, The White House. |
| **20 March** | **Memorandum** on Deterring and Reducing Gun Crime, for the Secretary of the Treasury, and the Attorney General. |
| **1 March** | Statement on Internet Accessibility in Classrooms, The White House. |

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| **1 March** | Statement on the Proposed Education Accountability Act, The White House. |
| **23 February** | Remarks on the "Insure Kids Now" Initiative, The White House. |
| **21 January** | Remarks Announcing and Initiative to Put a Qualified Teacher in Every Classroom, The White House. |
| **13 January** | Remarks Announcing an Initiative to Improve Economic Opportunities for Americans with Disabilities, The White House. |

## 1998:

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| **29 December** | Remarks Announcing the Children Exposed to Violence Initiative, The White House. |
| **1 December** | Remarks Announcing AIDS Initiatives, The White House. |
| **24 November** | **Memorandum** on Using the Internet to Increase Adoptions, for the Secretary of Health and Human Services. |
| **16 November** | Remarks on the Tobacco Settlement, The White House. |
| **13 November** | Remarks on Signing Legislation to Provide Educational Assistance to Families of Slain Officers and Strengthening Penalties for Criminals Using Guns, The White House. |
| **6 November** | **Memorandum** on Preventing Firearms Sales to Prohibited Purchasers, for the Secretary of The Treasury and the Attorney General. |
| **4 November** | **Memorandum** on Guidebook for Victims of Domestic Violence, for the Director of the Office of Management and Budget. |
| **22 October** | Statement on Signing the Charter Schools Expansion Act of 1998, The White House. |
| **10 September** | **Memorandum** on Achieving Greater Diversity Throughout the U.S. Scientific and Technical Work Force, for the National Science and Technology Council. |
| **25 August** | **Executive Order 13100**, President's Council on Food Safety. |
| **25 August** | **Memorandum** on National Academy of Sciences Report on Food Safety, for the President's Council on Food Safety. |
| **10 August** | Remarks on the Patient's Bill of Rights, Louisville, KY. |

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| **8 August** | **Memorandum** on Economic Development in American Indian and Alaska Native Communities, for the Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of the Interior, the Secretary of the Treasury, and the Administrator of the Small Business Administration. |
| **6 August** | **Executive Order 13096**, American Indian and Alaska Native Education. |
| **25 July** | **Memorandum** on Cutting Greenhouse Gases through Energy Savings Performance Contracts, for the Heads of Executive Departments and Agencies. |
| **17 July** | **Memorandum** on the Public Availability of Tobacco Documents, for the Secretary of Health and Human Services. |
| **8 July** | Remarks on Efforts to Promote Gun Safety and Responsibility, The White House. |
| **7 July** | **Memorandum** on Ensuring Compliance with the Health Insurance Portability and Accountability Act, for the Secretary of Labor, the Secretary of Health and Human Services, and the Director of the Office of Personnel Management. |
| **3 July** | Memorandum on the Joint Institute for Food Safety Research, for the Secretary of Health and Human Services and the Secretary of Agriculture. |
| **29 June** | **Executive Order 13090**, President's Commission on the Celebration of Women in American History. |
| **16 June** | Remarks on Signing the Bulletproof Vest Partnership Grant Act and the Care for Police Survivors Act, the White House. |
| **10 June** | **Executive Order 13048**, on Improving Administrative Management in the Executive Branch. |
| **10 June** | Remarks on Proposed Equal Pay Legislation, The White House. |
| **1 June** | **Memorandum** on Plain Language in Government Writing, for the Heads of Executive Agencies and Departments. |
| **29 May** | Remarks on the New COPS Pilot Project, The White House. |
| **28 May** | **Executive Order 13087**, on Equal Employment Opportunity in the Federal Government. |
| **14 May** | **Executive Order 13084**, on Consultation and Cooperation with Indian Tribal Governments. |
| **14 May** | **Memorandum** on Privacy and Personal Information in Federal Records, for the Heads of Executive Agencies and Departments. |
| **25 April** | **Memorandum** on Prevention of Prison Inmates Inappropriately Receiving Federal Benefits, for the Heads of Executive Agencies and Departments. |

**22 April** **Memorandum** on Strengthening our Commitment to Service,
for the Heads of Executive Agencies and Departments.

**9 April** Remarks in a Roundtable Discussion on Tobacco,
Carrollton, KY.

**6 April** Remarks on the Assault Weapons Ban,
The White House.

**19 March** Remarks on the Safe Schools Initiative,
The White House.

**13 March** **Memorandum** on the Establishment of the Quality Interagency Coordination Task
Force,
for the Secretary of Labor, the Secretary of Defense, the Secretary of Health and Human Services, the Secretary of Veteran's Affairs, and the Director of the Office of Personnel Management.

**10 March** **Memorandum** on Steps to Improve Federally-Sponsored Child Care,
for the Heads of Executive Agencies and Departments.

**10 March** Remarks, on Child Care and Children's Health, at Housatonic Community-Technical College, Bridgeport, CT.

**3 March** **Memorandum** on Standards to Prevent Drinking and Driving,
for the Secretary of Transportation.

**3 March** **Memorandum** on Conducting "Conversations with America" to Further Improve Customer Service in the Federal Government,
for the Heads of Executive Departments and Agencies.

**3 March** **Executive Order 13078**, Increasing Employment of Adults with Disabilities.

**3 March** **Memorandum** on the President's Community Empowerment Board,
for the Vice President, the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Energy, the Secretary of Veteran's Affairs, the Secretary of Education, the Chair of the Council of Economic Advisers, the Administrator of the Environmental Protection Agency, the Director of the Office of Management and Budget, the Administrator of the Small Business Administration, the Director of National Drug Control Policy, the Director of the Federal Emergency Management Agency, the Administrator of the General Services Administration, the Administrator of the National Aeronautics and Space Administration, the Chief Executive Officer of the Corporation for National and Community Service, the Chair of the Council on Environmental Quality, the Assistant to the President for Domestic Policy, and the Assistant to the President for Economic Policy.

**23 February** **Memorandum** on Helping Schools End Social Promotions,
for the Secretary of Education.

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| **20 February** | **Memorandum** on Federal Agency Compliance with the Patient Bill of Rights, for the Secretary of Labor, the Secretary of Defense, the Secretary of Health and Human Services, the Secretary of Veteran's Affairs, and the Director of the Office of Personnel Management. |
| **18 February** | **Memorandum** on Children's Health Insurance Outreach, for the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of the Interior, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Education, and the Commissioner of Social Security. |
| **30 January** | **Memorandum** on Enhancing Learning and Education Through Technology, for the Heads of Executive Departments and Agencies. |
| **12 January** | **Memorandum** on Zero Tolerance for Drug Use and Drug Availability for Offenders, for the Attorney General. |
| **7 January** | Remarks Announcing the Proposed Legislation on Child Care, The White House. |

## 1997:

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| **1 December** | **Memorandum** on the Integration of HIV Prevention in Federal Programs Serving Youth, for the Heads of Executive Departments and Agencies. |
| **21 November** | Statement on Signing the Food and Drug Administration Modernization Act of 1997, the White House. |
| **20 November** | Remarks Announcing the Health Care "Consumer Bill of Rights and Responsibilities," The White House. |
| **20 November** | **Memorandum** on The Health Care Consumer Bill of Rights and Responsibilities, For the Secretary of Labor, the Secretary of Defense, the Secretary of Health and Human Services, the Secretary of Veteran's Affairs, and the Director of the Office of Personnel Management. |
| **19 November** | Remarks on Signing the Adoption and Safe Families Act of 1997, the White House. |
| **15 November** | **Memorandum** on Importation of Modified Semiautomatic Assault-Type Rifles for the Secretary of the Treasury. |
| **28 October** | **Memorandum** on Turning Around Low-Performing Public Schools, for the Secretary of Education. |

**10 October** Message to the House of Representatives Returning Without Approval Partial Birth Abortion Legislation.

**17 September** Remarks on Proposed Tobacco Legislation and an Exchange with Reporters, the White House.

**25 August** **Memorandum** on Law Enforcement in Indian Country, for the Attorney General and the Secretary of the Interior.

**14 August** **Memorandum** on Religious Expression in the Federal Workplace, for the Heads of Executive Departments and Agencies.

**13 August** Remarks Announcing Action on the Safe and Effective Use of Medication to Treat Children, the White House.

**9 August** **Executive Order 13058**, Protecting Federal Employees and the Public from Tobacco Smoke in the Federal Workplace.

**23 July** Remarks on the Childhood Immunization Initiative, the White House.

**16 July** **Memorandum** on Implementation of Revised Air Quality Standards for Ozone and Particulate Matter, For the Administrator of the Environmental Protection Agency.

**27 June** Remarks on Signing the Drug-Free Communities Act of 1997, The White House.

**17 June** **Memorandum** on Strengthening Title IX Enforcement and Addressing Discrimination on the Basis of Sex, Race, Color, and National Origin in Federally Conducted Education Programs and Activities, for the Heads of Executive Departments and Agencies.

**13 June** **Executive Order 13050**, Presidential Advisory Board on Race.

**13 June** Remarks Prior to a Meeting with the President's Advisory Board on Race and an Exchange with Reporters, The White House.

**11 June** **Memorandum** on Enforcing the Youth Handgun Safety Act, for the Secretary of the Treasury.

**11 June** Remarks at the Juvenile Justice Conference, Washington, DC.

**10 June** **Executive Order 13048**, on Improving Government.

**10 June** Remarks on National Education Standards, the White House.

**4 June** Remarks on Signing the Individuals with Disabilities Act Amendments of 1997, the White House.

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| **20 May** | Remarks Launching the Welfare to Work Partnership, the White House. |
| **21 April** | **Executive Order 13045**, Protection of Children from Environmental Health Risks and Safety Risks. |
| **17 April** | Remarks at the Opening of the White House Conference on Early Childhood Development and Learning, the White House. |
| **17 April** | **Memorandum** on Using Lessons Learned from the Military Child Development Programs to Improve the Quality of Child Care in the United, for the Secretary of Defense. |
| **11 April** | **Memorandum** on Expanded Family and Medical Leave Policies, for the Heads of Executive Departments and Agencies. |
| **4 April** | **Executive Order 13043**, on Seat Belt Use in the United States. |
| **27 March** | **Memorandum** on Strengthened Protections for Human Subjects of Classified Research, for the Secretary of Defense, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Energy, the Secretary of Education, the Secretary of Veterans Affairs, the Director of Central Intelligence, the Administrator of the Environmental Protection Agency, the Administrator of the Agency for International Development, the Administrator of the National Aeronautics and Space Administration, the Director of the National Science Foundation, the Chair of the Nuclear Regulatory Commission, the Director of the Office of Science and Technology Policy, the Chair of the Consumer Product Safety Commission. |
| **26 March** | Remarks on the Advisory Commission on Consumer Protection and Quality in the Health Care Industry, the White House. |
| **25 March** | Remarks Announcing Proposed Medicare and Medicaid Fraud Prevention, The White House. |
| **25 March** | **Executive Order 13040**, Amendment to Executive Order 13017, Advisory Commission on Consumer Protection and Quality in the Health Care Industry. |
| **13 March** | **Memorandum** on National Testing in Defense Department Schools, for the Secretary of Defense. |
| **11 March** | **Executive Order 13038**, Advisory Committee on the Public Interest Obligations of Digital Television Broadcasters. |
| **8 March** | **Memorandum** on Government Employment for Welfare Recipients, for the Heads of Executive Departments and Agencies. |

6 March — **Memorandum** on Preparing Students to Meet National Standards of Excellence in Eighth Grade Math and Improving Math and Science Education, for the Secretary of Education and the Director of the National Science Foundation.

5 March — Remarks on Signing the Memorandum on Child Safety Lock Devices for Handguns and an exchange with reporters.

5 March — **Memorandum** on Child Safety Lock Devices for Handguns, for the Heads of Executive Departments and Agencies.

4 March — **Memorandum** on the Prohibition on Federal Funding for Cloning of Human Beings, for the Heads of Executive Departments and Agencies.

26 February — **Memorandum** on Federal Policies Targeted to Children in Their Earliest Years, for the Heads of Executive Departments and Agencies.

19 February — Remarks in a Roundtable Discussion on Juvenile Crime, Boston, MA.

18 February — Remarks in a Roundtable Discussion on Welfare Reform, New York, NY.

5 February — Remarks on Education at Augusta State University, Augusta, GA.

25 January — **Memorandum** on Improving the Safety of the Nation's Food Supply, for the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency.

23 January — **Memorandum** on Increasing Seatbelt Use, for the Secretary of Transportation.

**Timeline of Significant Executive Actions and Statements Relating to Domestic Policy**
**First Term: January 20, 1993-January 19, 1997**
(shown in reverse chronological order)

## 1996:

**14 December** — **Memorandum** on Adoption and Alternate Placement of Children in the Public Child Welfare System, for the Secretary of Health and Human Services, the Secretary of the Treasury, the Secretary of Labor, the Secretary of Commerce, the Director of the Office of Personnel Management.

**19 October** — **Memorandum** on Reducing Teenage Driving Under the Influence of Illicit Drugs, for the Director of National Drug Control Policy, and the Secretary of Transportation.

**3 October** — **Memorandum** on Guidelines for Implementing the Family Violence Provisions, for the Secretary of Health and Human Services and the Attorney General.

**19 October** — **Executive Order 13021**, on Tribal Colleges and Universities.

**28 September** — **Executive Order 13019**, Supporting Families: Collecting Delinquent Child Support Obligations.

**9 September** — **Memorandum** on Promoting Excellence and Accountability in Teaching, for the Secretary of Education.

**5 September** — **Executive Order 13017**, Advisory Commission on Consumer Protection and Quality in the Health Care Industry.

**23 August** — **Remarks** Announcing the Final Rule to Protect Youths from Violence.

**22 August** — **Remarks** on Signing the Personal Responsibility and Work Opportunity Reconciliation Act, the White House.

**21 August** — **Remarks** on Signing the Health Insurance Portability and Accountability Act, the White House.

**8 August** — **Memorandum** on Eligibility of Aliens for Food Stamps, for the Secretary of Agriculture.

**3 August** — **Remarks** on Signing the Food Quality Protection Act of 1996, the White House.

**21 July** — **Memorandum** on Criminal Child Support Enforcement, for the Attorney General.

**17 July** — **Remarks** Announcing the Donation of Cellular Phones to Neighborhood Watch Groups, The White House.

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| **16 July** | **Memorandum** on the Work Requirements Initiative, for the Secretary of Health and Human Services. |
| **11 July** | **Remarks** on the School Reconstruction Initiative, the White House. |
| **8 July** | **Memorandum** on the Youth Crime Gun Interdiction Initiative, for the Secretary of the Treasury, the Attorney General. |
| **27 June** | **Memorandum** on Crime Victims' Rights, for the Attorney General. |
| **25 June** | **Remarks** Announcing Support for a Constitutional Amendment on Victim's Rights, the White House. |
| **25 June** | **Memorandum** on the Development of a National Sexual Offender Registration System, for the Attorney General. |
| **21 June** | **Memorandum** on Family Friendly Work Arrangements, for the Heads of Executive Departments and Agencies. |
| **18 June** | **Memorandum** on the Child Support Initiative, for the Secretary of Labor. |
| **18 June** | **Memorandum** on the Child Support Initiative, for the Secretary of Health and Human Services. |
| **17 May** | **Remarks** on Signing Meghan's Law and an Exchange with Reporters, The White House. |
| **13 May** | **Remarks** Announcing Proposed Anti-Gang and Youth Crime Control Legislation, The White House. |
| **10 May** | **Memorandum** on the Welfare Initiative for Teen Parents, for the Secretary of Health and Human Services. |
| **10 April** | **Message** to the House of Representatives Returning Without Approval Partial Birth Abortion Legislation. |
| **28 March** | **Memorandum** on the "One Strike and You're Out" Guidelines, for the Secretary of Housing and Urban Development. |
| **21 March** | **Executive Order 12994**, Committee on Mental Retardation. |
| **24 February** | **Remarks** by the President on School Uniforms, Long Beach, CA. |
| **23 February** | **Memorandum** on the School Uniforms Manual Distribution, for the Secretary of Education. |

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| **21 February** | **Remarks** on the Unveiling of the Domestic Violence Hotline and an Exchange with Reporters, The White House. |
| **15 February** | **Remarks** on the Education Technology Initiative, Union City, NJ. |
| **23 January** | **Remarks by the President in State of the Union Address.** |
| **9 January** | **Message** to the House of Representatives Returning Without Approval Legislation Concerning the Welfare System. |

## 1995:

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| **18 December** | **Remarks** on Signing the Memorandum on Federal Arrestee Drug Testing and an Exchange with reporters. |
| **6 December** | **Remarks** to the White House Conference on HIV/AIDS. |
| **10 October** | **Remarks** Announcing the Technology Learning Challenge Grants, The White House. |
| **10 October** | **Executive Order 12975**, on Human Research Subjects Protection. |
| **2 October** | **Memorandum** on Federal Employee Domestic Violence Awareness Campaign, to Heads of Executive Departments and Agencies |
| **6 September** | **Letter** to Congressional Leaders on Welfare Reform with Statement of Administration Policy Attached. |
| **8 August** | **Memorandum** on Community Right to Know Initiatives, for the Administrator of the Environmental Protection Agency and the Heads of Executive Departments and Agencies. |
| **30 May** | **Remarks** on Clean Water Legislation, Washington, DC. |
| **14 June** | **Executive Order 12963**, Presidential Advisory Council on HIV/AIDS. |
| **27 February** | **Executive Order 12953**, Actions Required of All Executive Agencies to Facilitate Payment of Child Support. |
| **27 February** | **Remarks** on Signing the Executive Order to Facilitate Payment of Child Support, The White House. |
| **27 January** | **Remarks** on Welfare Reform and an Exchange with Reporters, The White House. |

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| **25 January** | **Remarks by the President in State of the Union Address.** |

## 1994:

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| **22 October** | **Memorandum** on Implementation of Safe Schools Legislation, for the Secretary of Education. |
| **20 October** | **Remarks** on Signing the Improving America's Schools Act of 1994, The White House. |
| **13 September** | **Remarks** on Signing the Violent Crime Control and Law Enforcement Act of 1994, The White House. |
| **10 August** | **Remarks** on Proposed Health Care Legislation and an Exchange with Reporters, The White House. |
| **8 August** | **Memorandum** on the Establishment of the Presidential Civil Rights Working Group, for Heads of Executive Departments and Agencies. |
| **28 July** | **Remarks** on Proposed Anticrime Legislation, Washington, DC. |
| **7 July** | **Memorandum** on Expanding Family-Friendly Work Arrangements in the Executive Branch, for Heads of Executive Departments and Agencies. |
| **26 May** | **Remarks** by the President at signing of "Freedom of Access to Clinic Entrances Act," The White House. |
| **5 May** | **Remarks** on Action by the House of Representative on Legislation to Ban Assault Weapons, The White House. |
| **4 May** | **Statement** on Signing the School-to-Work Opportunities Act of 1994, The White House. |
| **31 March** | **Remarks** on Signing the Goals 2000: Educate America Act, San Diego, CA. |
| **17 February** | **Memorandum** on Research Involving Human Subjects, for the Vice President and the Heads of Executive Departments and Agencies. |
| **28 February** | **Remarks** in a Roundtable Discussion on Violence and Crime, Chicago, IL. |
| **22 February** | **Executive Order 12900**, Educational Excellence for Hispanic Americans. |

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| **25 January** | **Remarks by the President in State of the Union Address.** |
| **17 January** | **Memorandum** on Federal Leadership of Fair Housing, for Heads of Executive Departments and Agencies. |
| **17 January** | **Executive Order 12092**, on Fair Housing. |

## 1993:

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| **11 December** | **Radio Address** by the President on Crime and Violence. The White House. |
| **11 November** | **Executive Order 12876**, on Historic Colleges. |
| **22 October** | **Remarks** on Presenting Proposed Health Care Reform Legislation to the Congress, The White House. |
| **8 October** | **Remarks** by the President on Health Care and Violence in America, New Brunswick, NJ. |
| **22 September** | **Address** to a Joint Session of Congress, on Health Care Reform. |
| **31 August** | **Remarks** at the Summer of Service Forum, on National Service, College Park, MD. |
| **17 August** | **Executive Order 12859**, Establishing the Domestic Policy Council. |
| **16 August** | **Remarks** to the National Governors' Association, on Health Care, Tulsa, OK. |
| **11 August** | **Memorandum** on Importation of Assault Pistols, for the Secretary of the Treasury. |
| **11 August** | **Memorandum** on Gun Dealer Licensing, for the Secretary of the Treasury. |
| **11 August** | **Remarks** by the President on the announcement of the Anti-Crime Initiative, The White House. |
| **7 June** | **Remarks** to the League of Women Voters, on Health Care, The White House. |
| **30 April** | **Remarks** on the National Service Initiative, New Orleans, LA. |
| **1 April** | **Message** to Congress Transmitting Proposed Child Immunization Legislation. |
| **19 May** | **Executive** Order 12848, on Preventing Homelessness. |

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| **1 March** | **Remarks** on National Service,<br>New Brunswick, New Jersey. |
| **5 February** | **Remarks** on Signing the Family and Medical Leave Act,<br>The White House. |
| **17 February** | **Address** by the President to a Joint Session of Congress. |
| **2 February** | **Remarks** to the National Governor's Association, on Health Care and Crime,<br>Washington, DC. |
| **22 January** | **Memorandum** Suspending the Title X "Gag Rule" of the Public Health Services Act,<br>for the Secretary of Health and Human Services. |
| **22 January** | **Memorandum** on Revoking the Ban on Privately Funded Abortions at Military<br>Hospitals, for the Secretary of Defense. |
| **22 January** | **Memorandum** on the Importation of RU-486,<br>for the Secretary of Health and Human Services. |
| **22 January** | **Memorandum** on Federal Funding of Fetal Tissue Transplantation Research,<br>for the Secretary of Health and Human Services. |
| **22 January** | **Remarks** by the President on Freeing Science and Medicine from the Politics of<br>Abortion. |