

COMPARISONS

COMPARISON OF WELFARE REFORM PROVISIONS

ADMINISTRATION AND DEMOCRATIC LEADERSHIP PROPOSAL (H.R. 4605/S.2224)

MAINSTREAM FORUM PROPOSAL (H.R. 4414)

HOUSE REPUBLICAN LEADERSHIP PROPOSAL (H.R. 3500)

AND SENATE REPUBLICAN LEADERSHIP PROPOSAL (S.1795)

I. ENHANCING JOBS PROGRAM

A. AFDC Transition Program

1. Current Law

The current AFDC program is an income support program with an employment training component for JOBS mandatory recipients. Payment standards vary widely across States. Eligibility for benefits is in perpetuity as long as applicants/recipients meet various means-tested standards. Under Part F, recipients of AFDC who do not meet the exemption criteria are required to participate in JOBS program activities in order to attain self-sufficiency. Employability plans are required for participants of the JOBS programs. Services under JOBS that States are required to provide include educational activities, job skills training, job readiness activities, job development and job placement, job search, on the job training (OJT), work supplementation, and community work experience. Other activities are allowable by regulation.

2. Administration Proposal - H.R. 4605/S.2224

An enhanced transitional JOBS program would offer all services under current JOBS program. The incentives to the State, and other administrative requirements, have been designed to promote self-sufficiency among participants (see Performance Standards section). The phased-in population would be required to participate in the JOBS program, except those who meet criteria for deferral status (see below). Supervised job search would be required from date of approval for job-ready recipients, and States are permitted to require job-ready applicants to engage in job search activities. Applicants would be required to sign personal Responsibility Agreements and would be entitled to a complete orientation to the new system. Every recipient will be required to develop an employability plan within 90 days of application or redetermination. The State agency is required to help recipients gain access to the education, training, and employment services they need to find jobs. Aid would be paid to the participant in the same fashion as under current law.

3. Mainstream Forum - H.R. 4414

States have the option to replace the current JOBS program with a Work First program. States have the option to run a variety of programs under Work First. States shall also make available one-stop employment shops to clients. States also have the option to enter into contracts with private for profit and non profit placement agencies, which will offer personal support and job readiness services to clients after they have been enrolled in the Work First program for three months. Placement agencies will be compensated by the State after the participant has been employed for 5 months.

As part of the Work First program, job search must begin immediately upon eligibility for AFDC. Each recipient must meet with a case management team and develop an individual participation agreement. The case manager will present each participant with the options available under the State plan that will move the client towards achieving the goal of a full time unsubsidized job. Aid will be paid to the participant based on the number of hours she spends in the activities provided for in the agreement. The State shall provide case managers with training and use incentives to "improve the performance" of case managers in moving clients to full time unsubsidized employment.

- States also have the option to implement a temporary subsidized job creation program, "similar to Oregon's JOBS-Plus."
- States also have the option to institute a work supplement program under which it uses AFDC funds to provide participants with subsidized jobs.
- The State will either provide a job to an eligible individual, or a job will be provided by a private employer in which some or all of the wages are paid by the State. The maximum work supplement is the maximum AFDC reward for the lesser of nine months or the number of months that the client was employed. Wages are considered earned income and Medicaid will be extended to clients who are in the work supplement program.

4. House Republican - H.R. 3500

Transition program would offer all services under current JOBS program. Recipients would be expected to work or prepare for work; States would assess the progress of recipients after first year of participation or could delay the entry of a work-ready recipient into the JOBS program. A recipient deemed work ready could be required to go straight into a work program. Employability plans would be required for all recipients.

5. Senate Republican - S. 1795

Transition program with education, job skills, job readiness, job development and placement and OJT. Recipient deemed work ready must go straight into the work program. Requires assessments every 6 months. Except in educational activities, participation must average 20 hours a week. States shall establish guidelines for satisfying requirements in educational institutions. Mandatory applicant job search unless States exempt themselves.

B. Participation Requirements

1. Current Law

The participation rate is currently 15% of those mandatory and 20% in FY 1995. Must participate for 75 percent of time in activities scheduled for an average of 20 hours per week in any of the allowable activities.

2. Administration Proposal - H.R. 4605/S.2224

Similar to current law, States are expected to meet a monthly participation rate. The performance standard for the JOBS monthly participation rate is set at 50 percent, with a -5/+5 tolerance level, with financial penalties if the standard is not met and financial incentives if the standard is exceeded. The State's monthly participation rate is calculated by the percent of the average monthly number of individuals who are mandatory for JOBS (i.e., excluding those in the deferral status) who participate in an activity or who are employed and meet the minimum work standard (and remain on aid).

For the proportion of caseload below the standard (45%), a 25 percent reduction in the FFP for AFDC benefits will be levied using the average AFDC benefit level paid in the State to calculate the amount of the penalty. If a State exceeds the JOBS monthly participation rate (55%) in a fiscal year, the State will be entitled to receive an additional payment (without the requirement of any additional nonfederal share) for use in carrying out its JOBS program.

States have the option of subjecting JOBS volunteers to the time-limits, as long as they specify their policy in their State plan. This could include non-phased-in recipients who volunteer for JOBS. Additionally, States are required to serve volunteers from the non-phased-in group to the extent that federal JOBS funding is available.

3. Mainstream Forum - H.R. 4414

State option to require any individual (within the phase in period) that is receiving AFDC to participate in the Work First Program. Participants are required to engage in the activities proscribed in the client's participation agreement

(including a mandatory job search) for a minimum of 20 hours per week. All non-exempt recipients would be required to participate. No specific participation standards for States to meet are articulated.

4. House Republican - H.R. 3500

Phase-in higher participation standards 10% per year until a 90% participation rate is reached; Expand allowable activities; Cut participation requirements to a total of 520 hours which averages out to just 10 hours per week instead of the current 20 hours.

5. Senate Republican - S. 1795

Overall JOBS participation rate for current recipients increases to 20% by FY 1998. Rates for recipients who came on the rolls between FY 95 and FY 98 increase from 20% in FY 95 to 50% in FY 98. Rates for recipients who come on after FY 1998 increase from 60% in FY 99 to 90% in FY 02.

C. **Deferral and Exemptions**

1. Current Law

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

2. Administration Proposal - H.R. 4605/S.2224

Adult recipients who were not able to work or participate in education or training activities (e.g., due to care of a disabled child) could be deferred either prior to or after entry into the JOBS program or after entry into the WORK program. The State agency would be required to make an initial determination with respect to deferral prior to or as part of the development of the employability plan, since the determination would in turn affect the content of the employability plan. A recipient who was required to participate in JOBS rather than deferred could request a fair hearing focusing on whether the individual meets one of the deferral criteria. The time frame for completion of the employability plan would be waived in instances of a dispute concerning deferral from JOBS.

Persons who were deferred from JOBS would be expected when possible to engage in activities intended to prepare them for employment and/or the JOBS program. An employability plan for a deferred recipient could detail the steps, such as referral to a vocational rehabilitation program or arranging for an appropriate day care or school setting for a child with a disability, needed to enable the adult to enter the JOBS program and/or find employment. Recipients not likely to ever participate in the JOBS program (e.g., those of advanced age) would not be expected to engage in activities to prepare for JOBS participation. An employability plan for such a person might include steps intended to, for example, improve the family's health status or housing situation. For individuals who were expected to enter the JOBS program shortly (e.g., mothers of young children), services could be provided to address any outstanding barriers to successful participation in JOBS (e.g., arranging for child care).

In general, States could not require deferred recipients to participate in activities. Persons who were deferred would not be subject to the time limit, i.e., months in which a recipient was in deferred status would not count against the two-year limit.

The criteria for deferral from JOBS would be the following:

- a parent of a child under age one, provided the child were not conceived while the parent was on assistance. A parent of a child conceived while on assistance would be deferred for a twelve-week period following the birth of the child (consistent with the Family and Medical Leave Act);
- ill or incapacitated, when it is certified by a licensed physician, psychologist or mental health professional (from a list of such professionals approved by the State) that the illness or incapacitating condition is serious enough to prevent, at least temporarily, entry into employment or training;
- 60 years of age or older;
- is needed in the home because another member of the household requires the individual's presence due to illness or incapacity as determined by a licensed physician, psychologist or mental health professional (from a list of such professionals approved by the State), and no other appropriate member of the household is available to provide the needed care;
- is in the third trimester of pregnancy; or
- lives in a remote area.

Each State would be permitted to defer from JOBS for good cause, as determined by the State, 5% of the total number of persons in the phased-in group (increased to 10% after FY99). Good cause could include substantial barriers to employment—for example, a severe learning disability or serious emotional instability. A State would be able, in the event of extraordinary circumstances, to apply to the Secretary to increase the percentage cap on good cause placements.

3. Mainstream Forum - H.R. 4414

Persons who are under 20 completing high school or GED; clients in part-time technical/vocational education in combination with work; clients who are disabled, ill, or those caring for disabled relative, will be exempt from participation in the program. Pregnant women, custodial parents, and guardians will get an exemption equal to the Family and Medical Leave Act (12 weeks).

4. House Republican - H.R. 3500

Fewer exemptions to only those with disabilities, caring for a disabled relative, or working 30 hours per week. Persons who attend full time, an elementary, secondary, or vocational school; parents of a child who was removed from the home and recently returned; first time mothers (for 6 months); second time mothers (for 4 months); and a state option for persons making progress in a substance abuse treatment program.

5. Senate Republican - S. 1795

Persons who are ill, incapacitated, elderly, providing full time care for a disabled dependent, live in areas where the program is not available, or work more than 35 hours a week are exempt. Also exempt are children under the age of 16 who are attending full time an elementary secondary, or vocational (or technical) school. State option to exempt people "who are making progress" in a substance abuse treatment program. First-time mothers are exempt for a 6 month period, while second time mothers are exempt for 4 months.

D. Sanctions

1. Current Law

The sanction for the first instance of failure to participate in JOBS as required (or failure to accept a private sector job or other occurrence of noncompliance) is the loss of the non-compliant individual's share of the grant until the

failure to comply ceases. The same sanction is imposed, but for a minimum of 3 months, for the second failure to comply and for a minimum of 6 months for all subsequent instances on non-compliance.

2. Administration Proposal - H.R. 4605/S.2224

In JOBS and WORK, the sanction for refusing a job offer without good cause would be the loss of the adult's portion of the AFDC benefit for 6 months or until the adult accepts a job offer, whichever is shorter. Sanctions for noncompliance in JOBS remain the same as current law. States would be required to provide a conciliation process to resolve disputes. In WORK, noncompliance results in the following penalties: (1) For first occurrence, the family receives a 50 percent reduction in the AFDC grant for one month or until they comply; (2) For the second occurrence, the family receives a 50 percent reduction in the AFDC grant for three months; (3) For the third occurrence, elimination of the family's grant for a period of 3 months; (4) For a fourth and subsequent occurrence, elimination of the family's grant for a period of 6 months.

3. Mainstream Forum - H.R. 4414

AFDC and food stamp benefits reduced for one month by 25% for each act of non-compliance. Sanctions are levied for those who are offered a private sector job but do not accept job without good reason. Sanctioned individuals are offered the option of changing jobs, up to a maximum of 3 times.

4. House Republican - H.R. 3500

Reduce a family's combined AFDC and food stamp benefits by 25% until the recipient complies or 3 months have passed. If the recipient does not comply within 3 months, the sanction is extended for 3 more months. If the recipient does not comply in 6 months, the whole family's AFDC benefits are eliminated entirely, though the family is still eligible for Food Stamps, Medicaid, and other benefits.

5. Senate Republican - S. 1795:

For the first and second offenses, the family loses the adult share of the AFDC benefit for three and six months, respectively. After the third offense, payments to the parent ends for at least one year and payments to the children shall be made through vendor payments for housing or to representative payees.

II. **TIME LIMITS**

A. **Duration of Eligibility for Benefits**

1. Current Law

Duration of benefits is in perpetuity as long as eligibility criteria is met. Some States are permitted to place a time-limit on AFDC-UP participation consisting of 6 months in any 13 month period. Thirteen currently do, however, no other time-limits exist under current law.

2. Administration Proposal - H.R. 4605/S.2224

Phased-in recipients would have a lifetime maximum of 24 cumulative months of cash aid. The clock begin with receipt of benefits and does not run while the individual is deferred from JOBS or if the individual is under 18 years old. Only those recipients who attain an extension or who have earned-back eligibility may receive cash aid for longer than 24 cumulative lifetime months. JOBS-mandatory participants who hit the time-limit must register for the WORK program in order to continue to receive public assistance. The time-limit applies solely to AFDC and does not apply to other assistance programs.

3. Mainstream Forum - H.R. 4414

Two year life-time limit of AFDC benefits, the clock starts "after individual signs participation agreement. When the two year time limit expires, Transitional child care is provided for those who exhaust AFDC benefits and Medicaid benefits are extended for one year. Participants who hit the time-limit enter the community service program for 12 months.

4. House Republican - H.R. 3500

States may impose mandatory work obligation after 2 years, and 1 year for job ready recipients. Those who are ill, disabled, (not including drug and alcohol offenders) or taking care of a seriously ill relative are exempt from time-limit; States would have the option to provide exemptions for those enrolled in drug and alcohol abuse programs. State option to limit AFDC-UP benefits to 6 months.

5. Senate Republican - S. 1795

Two year life-time limit, 1 year at State option for work-ready recipients, with no earn-back.

B. Exemptions from the Time-limit

1. Current Law

Not applicable.

2. Administration Proposal - H.R. 4605/S.2224

Individuals are not subject to the time limit if they meet criteria for deferral status. Non-phased-in recipients are not subject to the time-limit unless they volunteer for JOBS and the State chooses to impose the time-limit on volunteers. Only one-parent in an AFDC-UP family could be placed in deferral status. Time limits would not apply until the recipients' 18th birthday.

3. Mainstream Forum - H.R. 4414

Those who are exempt from Work First are exempt from time-limited requirements.

4. House Republican - H.R. 3500

Exemptions for persons who are ill, disabled, caring for a disabled relative, or working 30 hours per week. States would have the option to provide exemptions for those enrolled in drug and alcohol abuse programs.

5. Senate Republican - S. 1795

Exemptions for persons who are ill, incapacitated (not to include substance abusers), elderly, in their third trimester of pregnancy, had child while the family was on AFDC (six month exemption for first child, 4 months for each subsequent child), is caring for disabled dependents full-time, working 35 or more hours per week, has a child under age 16 attending school full-time, or is living in a remote area. States would have the option to provide exemptions for those enrolled in drug and alcohol abuse programs.

C. Extensions

1. Current Law

Not applicable.

2. Administration Proposal - H.R. 4605/S.2224

States would be required to grant extensions to persons who reached the time limit without having had adequate access to the services specified in the employability plan. In instances in which a State failed to substantially provide the services, including child care, called for in the employability plan, the State would be required to grant an extension equal to the number of months needed to complete the activities in the employability plan (up to a limit of 24 months). If the State agency and the recipient disagreed with respect to whether services were substantially provided and hence as to whether the recipient was entitled to an extension, the State agency would be mandated to inform the recipient of her or his right to a fair hearing. Persons enrolled in a structured learning program (including, but not limited to, those created under the School-to-Work Opportunities Act) would be granted an extension up to age 22 for completion of such a program. States would also be permitted, but not required, to grant extensions of the time limit under specified circumstances, up to 10% of all recipients required to participate in JOBS and subject to the time limit.

3. Mainstream Forum - H.R. 4414

Pregnant women, custodial parents, and guardians will get an extension equal to the Family and Medical Leave Act (12 weeks). State may also allow 10% of all participants to re-enter the Work First or community service program following 36 months of participation.

4. House Republican - H.R. 3500

No provisions.

5. Senate Republican - S. 1795

No provisions.

D. Earning-Back Additional Eligibility

1. Current Law

Not applicable.

2. Administration Proposal - H.R. 4605/S.2224

For those who left AFDC with less than six months of eligibility remaining, individuals could "earn-back" 1 month of AFDC eligibility for each 4 months off AFDC/WORK. The maximum number of months an individual can earn at one time is 6 months. A person who re-applies for cash aid and has no additional months of eligibility would be required to register for WORK.

3. Mainstream Forum - H.R. 4414

No earn-back provisions. Ten percent of individuals will be eligible for re-admittance to the program, provided that their finish a 3 year community service job slot. When the 2 year time limit expires, Transitional child care is provided for those who exhaust AFDC benefits and Medicaid benefits are extended for one year.

4. House Republican - H.R. 3500

No provisions.

5. Senate Republican - S. 1795

No provisions.

III. POST-TRANSITIONAL ASSISTANCE PROGRAM

A. Work Requirement

1. Current Law

No mandated work for benefits program; States have option to run Community Work Experience Programs (CWEP). People in CWEP work in the public sector for the number of hours equal to their AFDC benefit divided by the minimum wage. In FY 1991 there were 13,112 slots for CWEP participants; Optional Work Supplementation Program. In FY 1991 there were 707 slots for the program.

2. Administration Proposal - H.R. 4605/S.2224

Those recipients who have exceeded their time-limit and who are unable to obtain unsubsidized employment will be required to participate in the WORK program. Individual WORK slots would be limited to 12 months and States could pursue a wide range of strategies in designing such slots. Required participation in job search for a period of not less than 45 day (up to 90 days at State option) before hitting the time limit and taking a WORK assignment. Job search between WORK assignments. States would have the flexibility to determine the number of hours for each WORK assignment, with a minimum of an average of 15 hours per week during a month and for no more than an average of 35 hours per week during a month.

3. Mainstream Forum - H.R. 4414

States that establish a Work First Program are required to create a Community Service Jobs system. After the 2 year time-limit in the Work First program, clients will enter the Community Service program. Clients will meet with case managers who will assist participants in choosing a community service job and eventually obtain a full time unsubsidized job. States shall provide each participant with a community service job (minimum of 30 hours a week, plus 5 hours mandatory job search) paid a rate equal to minimum wage. Community Service Jobs are defined as employment provided to a participant by the State or by an employer, in which some or all of the wages are paid for by the State. The State can waive the 30 hour requirement if it is too financially burdensome for the state to meet—but must phase in 30 hour requirement by 2001.

The Community Service Program will follow the Work First model: States can choose from the placement agency option, the temporary subsidized job option, or the work supplement option, in which employers must agree "to provide the participant the amount in wages equal to the poverty threshold for a family of three."

4. House Republican - H.R. 3500

Expand CWEP, work supplementation, or create a new program, and require recipients to work for up to 35 hours per week; eliminate requirement that work supplementation participants be assigned only to unfilled, newly created jobs. States can require participation in the work supplementation program in which the AFDC benefit is used to subsidize a private sector job.

5. Senate Republican - S.1795

After receiving two years of benefits (one year at State option), work is required. Work program must include work supplementation, CWEP, employment voucher or other approved work program. States can require participation in the work supplementation program in which the AFDC benefit is used to subsidize a private sector job. AFDC or food stamp only recipients can find a private sector job with an employment voucher valued at the family's combined AFDC and food stamp benefit level and, after six months, half that amount. Employers must pay the employee at least twice the value of the voucher.

B. Time-Limits on Post-Transitional Assistance

1. Current Law

Not applicable.

2. Administration Proposal - H.R. 4605/S.2224

There is no overall time-limit on WORK participation, so long as participants have met all requirements. States would be required to assign new or newly open WORK slots to WORK registrants who have most recently hit the time-limit.

3. Mainstream Forum - H.R. 4414

The community service component would only be available to an individual for three years. A limited number of individuals (10% of the participants) deemed "not ready for employment" can be readmitted to the Work First or Community Service program after this point.

4. House Republican - H.R. 3500

States can drop an AFDC family from the rolls after the caretaker participated in WORK for 3 years.

5. Senate Republican - S. 1795

At State option, benefits received under the post-transitional work portion of the assistance program may be limited to 12 months for the individual casehead, who would still be eligible for Medicaid and food stamps. The family (i.e., children) would continue to receive a reduced grant.

C. Pay Compensation

1. Current Law

People in CWEP work in public sector jobs for the number of hours equal to their AFDC benefit divided by the minimum wage.

2. Administration Proposal - H.R. 4605/S.2224

Total WORK program benefits (wages plus supplemental benefits) would not be less than the AFDC grant. Wages from WORK assignments would be treated as earned income with respect to Federal and Federal-State assistance programs other than AFDC (e.g., food stamps, SSI, Medicaid, public and Section 8 housing). Persons in WORK assignments would be subject to FICA taxes. States would be required to ensure that the corresponding employer contribution for OASDI and HI was made, either by the employer or by the entity administering the WORK program (or through another method). Earnings from WORK positions would not be subject to tax, would not be treated as earned income or included in adjusted gross income for purposes of calculating the Earned Income Tax Credit, and would not be treated as qualified wages for purposes of the Targeted Jobs Tax Credit. The employment of participants under the WORK program would not be subject to the provisions of any Federal or State unemployment compensation law.

3. Mainstream Forum - H.R. 4414

Unlike the Work First, Community Service wages are not considered earned income. Participants work for wages (at least minimum wage) instead of AFDC benefits. Participants in subsidized employment could receive a supplemental benefit from the State.

4. House Republican - H.R.3500

People in CWEP work in public sector jobs for the number of hours equal to their AFDC benefit divided by the minimum wage. States could also require participation in a work supplementation program in which the AFDC benefit is used to subsidize a private sector job.

5. Senate Republican - S. 1795

People in CWEP work in public sector jobs for the number of hours equal to their AFDC benefit divided by the minimum wage. States could also require participation in a work supplementation program in which the AFDC benefit is used to subsidize a private sector job.

D. Anti-displacement Provisions

1. Current Law

Strong anti-displacement provisions as established by FSA of 1988.

2. Administration Proposal - H.R. 4605/S.2224

Strong anti-displacement provisions based on National Service non-displacement measures.

3. Mainstream Forum - H.R. 4414

None.

4. House Republican - H.R. 3500

No provisions.

5. Senate Republican - S. 1795

Current law and eliminates requirement that work supplementation participants be assigned only to unfilled, newly created jobs.

E. Participation Requirements in Post-Transitional Assistance

1. Current Law

Not applicable.

2. Administration Proposal - H.R. 4605/S.2224

To ensure that individuals who reach the time limit are assigned to WORK slots, States will be expected to meet a WORK participation standard. Financial penalties are applied if the standard is not met. To meet this standard, States are required to meet either: The number required so that 80 percent of those who are registered for the WORK program are assigned to a WORK slot, or the number required so that total number of WORK slots the State is required to create, based on their funding allocation, are filled by individuals assigned to a WORK slot. For the proportion of caseload below the applicable standard, a 25 percent *reduction* in the FFP for AFDC benefits will be levied using the average AFDC benefit level paid in the State to determine the amount of the penalty.

3. Mainstream Forum - H.R. 4414

All non-exempt recipients would be required to participate. No specific participation standards for States to meet are articulated.

4. House Republican - H.R. 3500

All non-exempt recipients would be required to participate. No specific participation standards for States to meet are articulated.

5. Senate Republican - S. 1795

All non-exempt recipients would be required to participate. No specific participation standards for States to meet are articulated.

E. **Economic Development**

1. Current Law

No provisions.

2. Administration Proposal - H.R. 4605/S.2224

The proposal would allow States to establish Individual Development Accounts, in cooperation with local financial institutions, to encourage savings among participants of income assistance programs. Recipients would be able to save up to \$10,000 in a tax deferred account for purposes of educational expenses or buying a new home. Funds in the account would be excluded from determining resources for purposes of eligibility. Withdrawals for unqualified purposes would result in a 10% penalty of the amount withdrawn. Participants would be limited to a \$1,000 deposit limit per year. The federal government would provide \$500 in starter funds to make the establishment of such accounts more attractive (recipients would be entitled to withdraw these initial funds but would instead "replace" them with their own deposits). In a demonstration program, recipients could participate in a subsidized IDAs whereby the State would match participants' deposits up to \$2,500.

In a related program, States would be permitted to encourage people to start microenterprises; Demonstration program to promote self-employment by providing access to micro-loan funds and technical assistance in obtaining loans and starting businesses as a means to achieve self-sufficiency.

3. Mainstream Forum - H.R. 4414

As part of Work First, States are permitted to use Federal community and rural development and job training funds to make direct loans to nonprofit groups to provide technical assistance, training, and credit to low income entrepreneurs for the purpose of establishing a micro-enterprise. With regards to the resources of microenterprise, States shall disregard \$8,000 of the net worth (assets produced by liabilities) for a period of 2 years. Net profits shall be treated as earned income during that same period. The Targeted Jobs Tax Credit is amended, doubling the minimum period of employment required for an employer to receive credit.

Additionally, States shall disregard from resources up to \$8,000 in 1 qualified asset account ("a mechanism approved by the state...IRA, Escrow, or savings bond") for 1 member of the family. Money can be used for post-secondary school, purchase of a house or automobile, or for the establishment or operation of a microenterprise. The penalty for an unqualified use of these funds would be to treat the funds as income; resulting in ineligibility for the participant in some cases.

4. House Republican - H.R. 3500

State option of disregarding (for up to 2 years) \$10,000 in a "qualified asset account" held by an AFDC family or a family who received AFDC in one of the last four months, or became ineligible during the preceding 12 months because of earnings. States could also exclude as income a resource (for two years) \$10,000 of the net worth of a microenterprise. States shall disregard "qualified distributions" from "qualified asset account" for the purpose of: attending an education or training program, improving employability (buying a new car), buying a new home, or moving to another residence.

5. Senate Republican - S. 1795

No provisions.

V. **FUNDING AND MATCHING RATES**

1. Current Law

States are reimbursed at a 90 percent rate for JOBS expenditures up to the amount allotted to the State in FY 1987 for WIN. States face financial penalties if program resources are not targeted towards specified populations. Additional expenditures are reimbursed at the higher of 60 percent and the Medicaid rate for direct costs and personnel costs of full-time JOBS staff and 50 percent for other administrative costs; The cap for JOBS was \$600 million in FY 1989, it increases to \$1.3 Billion in FY 1995, and decreases to \$1 billion for FY 1996 and beyond; Most States have been unable to draw down their entire allocation for JOBS because they cannot find the money for State match.

2. Administration Proposal - H.R. 4605/S.2224

The Federal match rates (for each State) for all JOBS expenditures would be set at FMAP plus 5 percentage points with a floor of 65, generally increasing to 10 percentage points and a floor of 70 in later years to match anticipated needs. Spending for direct program and administrative costs would be matched at the same rate. The JOBS capped entitlement (Federal) would be set at \$1.75 billion for FY 1996, \$1.7 billion for FY 1997, \$1.8 billion for FY 1998, and \$1.9 billion for each of the fiscal years 1998, 1999, and 2000. This capped amount would be adjusted automatically for inflation after FY 2004. In addition, a \$300 million fund would be set-aside for purposes of use by the Secretary. States who have drawn down their entire allocation would be permitted to draw-down additional funds from the capped amount that other States had not.

A separate capped entitlement would be established for the WORK program to cover operational costs (the same match rates apply). The WORK capped entitlement (Federal) would be set at \$200 million for FY 1998, \$700 million for FY 1999, \$1.1 billion for FY 2000, \$1.3 billion for FY 2001, \$1.4 billion for FY 2002, \$1.6 billion for FY 2003, and \$1.7 billion for each of the fiscal years thereafter, adjusted for inflation. A State would be permitted to reallocate an amount up to 10% of its combined JOBS and WORK allotments from its JOBS program to its WORK program and vice versa. Match rates and capped amounts would be adjusted in cases of high unemployment to accommodate extreme circumstances.

3. Mainstream Forum - H.R. 4414

For all 50 States and D.C., Federal government share set at 80% and the State share set at 20%. Work First is an uncapped entitlement; lower match for territories. Funding for Work First is an uncapped entitlement.

4. H.R.3500

Child care cost matched as under current law (the greater of 60% or FMAP). Current law targeting provisions in JOBS are dropped. Each state that has used full allocation of Federal JOBS funds (under current law) would be entitled to additional JOBS funds at a Federal match rate of the greater of 70% or Medicaid percentage for program costs. Drops to 50% in participation rates not met. Authorization of: \$300 million for FY96, 1 billion for FY97, and 1.9 billion for FY98.

5. Senate Republican - S. 1795

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VI. CHILD SUPPORT ENFORCEMENT

A. Paternity Establishment

1. Current Law

Clients must cooperate with the State in establishing paternity, unless there is "good cause." If client does not cooperate, her portion of the AFDC benefit will be terminated unless no such payee can be found; Under the Omnibus Reconciliation Act of 1993, States must have procedures in place for a simple civil process for voluntarily acknowledging paternity. The act also calls for strengthened paternity establishment standards for each State based upon past figures.

2. Administration Proposal - H.R. 4605/S.2224

Offer States performance-based incentives. Expand in-hospital establishment provisions enacted as part of OBRA '93. Expand education about parental responsibility. Streamline legal process. Must meet new stricter cooperation requirements.

3. Mainstream Forum - H.R. 4414

Require States to establish hospital-based paternity as established in OBRA 1993. States must also develop simple civil consent procedure for paternity establishment outside of hospital. Benefits contingent on establishment; good cause exemption. Increase information recipient must provide in order to "cooperate" and receive AFDC benefits. Make incentive for paternity establishment by increasing per month pass through of child support benefits to mothers on AFDC to \$100. Provide new fathers with parental counseling.

4. House Republican - H.R. 3500

Mothers must identify the putative father as a condition of eligibility and family would receive reduced benefits (minus mother's portion of the grant) until paternity is established. Children whose paternity is not established are denied benefits; good cause exemption. Increase state requirement to establish paternity for 90% of all out-of-wedlock births or face financial sanctions.

5. Senate Republican - S. 1795

Paternity establishment is a condition of receiving benefits. The parent's benefits are denied until paternity of the child is established, a paternity suit is initiated, efforts to establish paternity would result in physical danger, or reduction in aid would impose undue hardship. If an individual is wrongfully named as the father, the adult's benefit is removed. The paternity establishment standard is increased to 90 percent. States must increase their paternity establishment ratio by 10 percent each year if below 50 percent and 6 percent if between 50 and 90 percent.

B. Strengthen Enforcement

1. Current Law

The current system fails to ensure that children receive adequate support from both parents. Currently there is a collection gap of \$34 billion.

2. Administration Proposal - H.R. 4605/S.2224

Create a central registry and payment center in all States and create a Federal Child Support Enforcement Payment Center to track parents across State lines. Require routine reporting of all new hires via national W-4 reporting and a National Directory of New Hires, and require immediate wage withholding, by the state, on unpaid orders. Adopt Uniform Interstate Family Support Act (UIFSA) to make interstate collection procedures more routine. Strengthen

IRS role. Allow States authority to revoke licenses. Create new funding formula and place emphasis on performance-based incentives.

3. Mainstream Forum - H.R. 4414

Require States to maintain registries of child support orders.

Expand the use of W-4 form to determine if new employees owe child support, and create a New Hire Registry. Implement employer and IRS direct income withholding process.

Create National Support Guidelines Commission to develop for congressional consideration a national child support guideline.

Expand Parent Locator Service to establish a national network allowing states to access each other's records.

Mandate reports to credit bureau of all obligations and arrearages. Allow workers compensation to be subject to income withholding. Permit States to establish procedures under which liens can be imposed against lottery winnings and other awards.

Make grandparents liable for financial support of minor children.

SENSE OF CONGRESS TO: Require noncustodial parents delinquent in their payments to enter a work program in which they work to pay off benefits going to support their child.

4. House Republican - H.R. 3500

Expand Federal parent locator service; maintenance of Child Support Registry; streamlined wage withholding; States required to enforce out-of-state wage withholding orders; Require W-4 based new-hire reporting systems and immediate withholding; uniform order process.

5. Senate Republican - S. 1795

States maintain registries of child support orders to assist other States with interstate searches and to assist both custodial and non custodial parents. Expand the Federal Parent Locator System (FPLS) and establish an interstate locate network linking the FPLS to State child support data bases. Streamline the interstate system of wage withholding by requiring uniform notices and requiring employers to honor the uniform withholding orders of any State within 10 days or be subject to a civil fine. Develop a uniform child support order for use by all State courts. Require States to recognize and enforce interstate orders; States required to enforce out-of-State uniform wage withholding orders.

C. Assured Minimum Benefits

1. Current Law

None. The New York CAP program guarantees a minimum benefit to families with support orders. Virginia will be implementing a demonstration which features an assurance function.

2. Administration Proposal - H.R. 4605/S.2224

Congress would authorize up to 6 demonstrations to test State child support assurance programs. Demonstrations would last 7 years and would be funded at 90 percent FFP.

3. Mainstream Forum - H.R. 4414

None.

4. House Republican - H.R. 3500

No provisions.

5. Senate Republican - S. 1795

No provisions.

D. **Noncustodial Parents**

1. Current Law

Non-custodial parents have a very limited role in the current welfare system. The FSA of 1988 includes a provision for up to 5 States to provide services under the JOBS program, to non-custodial parents who are unemployed and unable to meet their child support obligations. Project Fair Share operates the demo programs which try to involve non-custodial parents in their children's lives.

2. Administration Proposal - H.R. 4605/S.2224

Create a system with parallel expectations for custodial and noncustodial parents. Reserve a portion of JOBS and WORK funding for noncustodial parent of AFDC recipient children who are unemployed or under employed and cannot pay child support. State option for mandatory work programs for noncustodial parents. Make grants available to States for programs which foster access and visitation by both parents through mediation, counseling, education and visitation enforcement and monitoring.

3. Mainstream Forum - H.R. 4414

Require States to offer positive paternity establishment/parenting social services for new fathers.

Allocate 10 percent of the Work First and community service funds to States to create programs for non-custodial parents.

SENSE OF CONGRESS TO: Require noncustodial parents delinquent in their payments to enter a work program in which they work to pay off benefits going to support their child.

4. House Republican - H.R. 3500

All noncustodial parents may be required to participate in 2-4 weeks of job search and in a state work program.

5. Senate Republican - S. 1795

Noncustodial parents with the equivalent of more than 2 months of arrearage, unless subject to a court approved repayment plan, will be notified they must pay child support and are subject to fines and other penalties. If there is no response within 30 days, the State will seek a court order requiring the noncustodial parent to participate in job search and if the arrearage has not decreased within 30 days after the order is entered, the noncustodial parent must participate in a work program for 35 or more hours a week.

VII. **PROMOTE PARENTAL RESPONSIBILITY**

A. **Minor Mothers**

1. Current Law

Permitted to collect AFDC as separate filing unit. State option to require minor mothers to reside in their parents home; CT, DE, MN, MI, WI, Puerto Rico, Virgin Islands doing by waiver authority.

2. Administration Proposal - H.R. 4605/S.2224

Require to live with parent or other responsible adult. Parental support is included in AFDC eligibility.

3. Mainstream Forum - H.R. 4414

Require to live in household with responsible adult; good cause exemption.

4. House Republican - H.R. 3500

States must deny AFDC to parents under 18 years old, unless they pass a State law waiving this rule. Minor mothers are required to live at home.

5. Senate Republican - S. 1795

State option to deny AFDC to minor parents (Medicaid eligibility would continue). Minor custodial parents are required to live at their parents home or in a group home; Parental support is included in AFDC eligibility. States must use savings from these provisions to fund group homes, adoption assistance and "abstinence education."

B. Targeting Teens

1. Current Law

No provisions.

2. Administration Proposal - H.R. 4605/S.2224

Provide enhanced case management to all teens under 20. All custodial parents under 20 who had not completed high school or the equivalent would be required to participate in the JOBS program (as soon as the child reached 12 weeks of age), with education as the presumed activity. State option for incentives to participate in educational and parenting activities.

3. Mainstream Forum - H.R. 4414

Parents under 20 who do not have a high school diploma or GED must remain in school and receive a bonus of 25% "of aid otherwise payable" per month if those requirements are met and 25% penalty if they are not met.

4. House Republican - H.R. 3500

States can impose sanctions on minor parents who do not attend school themselves or whose children do not attend school; State option to require parents to participate in parenting and money management classes.

5. Senate Republican - S. 1795

State option to disregard savings from the earnings of a dependent child if the funds are used for education.

C. Other Prevention Strategies

1. Current Law

No provisions.

2. Administration Proposal - H.R. 4605/S.2224

National campaign against teen pregnancy; Every male or female school-age parent would be required to participate in JOBS from moment pregnancy or paternity is established. Require special case management and special services including family planning. Increase Title X Family Planning Funding. Strengthen AFDC Family Planning Requirement. Allow States to utilize older welfare mothers to mentor at-risk school-age parents as part of their community service assignment. Comprehensive neighborhood-based demonstration grants with strong evaluation component.

3. Mainstream Forum - H.R. 4414

Creation of a national teenage pregnancy task force to educate children of the risks involved in choosing parenthood at an early age and ensure that every potential parent is given reproductive family planning and education. States are also required to ensure that all people have access to family planning and comprehensive services.

4. House Republican - H.R. 3500

No provisions.

5. Senate Republican - S. 1795

State option to require parents to participate in parenting and money management classes; requires States (unless they pass laws exempting themselves) to reward or sanction families \$50 a month based on compliance with immunization and health check requirements for preschoolers. Requires States to conduct education and outreach services related to preventive health and immunizations for preschool children. Requires the Surgeon General to issue recommendations on immunizations periodically.

D. Family Cap

1. Current Law

AFDC benefits increase when additional child is born; State waivers to cap benefits exist in: NJ, GA, VA.

2. Administration Proposal - H.R. 4605/S.2224

States will have option to keep AFDC benefits constant when a child is conceived while the parent is on welfare but must assure parents access to family planning services and must do at least one the following: permit the family to earn more or receive more in child support; permit working recipients to disregard a higher amount of earnings equal to the benefits they would have gotten for an additional child.

3. Mainstream Forum - H.R. 4414

Do not support increases in AFDC funding to families who have additional children while receiving benefits. State may opt out of this requirement under State plan.

4. House Republican - H.R. 3500

States are not required to pay an additional benefit for a child born 10 months after the date of application for AFDC. Some exceptions apply for families which leave AFDC due to employment but return. States may exempt themselves through passing a State law.

5. Senate Republican - S. 1795

States are not required to pay an additional benefit born 10 months after the date of application for AFDC. Some exceptions apply for families which leave AFDC due to employment but return.

VIII. MAKE WORK PAY

A. Child Care

1. Current Law

There are a number of entitlement programs, all with different eligibility rules. Some programs include: 1) Title IV-A provides child care to AFDC recipients. It is an open ended federal entitlement based on FMAP with a State match requirement; 2) Entitlement for one year of transitional child care for people who have left AFDC in the last year and funding is based on FMAP rate with a State match requirement; 3) At-Risk program capped at \$300 million p. year for those the State determines to be at-risk of AFDC receipt, and matched by States at FMAP rate; 4) Child Care Development Block Grants pay for many services including child care and were funded at \$360 million in FY92; No State match.

2. Administration Proposal - H.R. 4605/S.2224

Ensure transitional child care, make child care subsidies available to low-income families to enable them to remain off of welfare.

3. Mainstream Forum - H.R. 4414

- Expand IV-A entitlement program for cash assistance to recipients to accommodate the increased demand created by expanded participation in the Work First program.
- IV-A funding will have 80/20 federal State match.
- Increase funding for At-Risk Child Care Program to \$2 billion by FY01, while extending the service to two parent families.
- Change eligibility for Transitional Child Care from 1 to 2 years.
- Require automatic notification of eligibility for Transitional Child Care to AFDC recipients who find work as well as those who have been terminated from AFDC, Food Stamp, and Medical Assistance rolls.
- Guarantee Transitional and At-Risk Child Care to recipients who are seeking training but have been terminated from AFDC rolls.
- Make Dependent Care Tax Credit refundable (while making ineligible those with incomes over \$120,000);
- Allow States to create jobs in child care field for recipients.
- SENSE OF CONGRESS to create a child care information center that would maintain a roster of eligible providers and their performance records.

4. House Republican - H.R. 3500

Maintain current child support system. Preserve current funding levels.

5. Senate Republican - S. 1795

Maintain current child support system. Preserve current funding levels.

B. Earned Income Tax Credit

1. Current Law

When fully implemented the EITC will have the effect of making a \$4.25 per hour job pay nearly \$6.00 per hour for a parent with two or more children; The maximum benefit for a family of four with full-time minimum wage earnings is \$3,370; Raised the pay for the wage earner of a two-parent family of four by 16%; The five-year cost of the expansion is \$20.8 billion, with \$7.0 billion spent in FY 1998; Currently the EITC tends to be delivered in a lump sum at the end of the year and the process for ensuring a different distribution schedule is difficult.

2. Administration Proposal - H.R. 4605/S.2224

Ensure that the EITC can be delivered on a regular, advance-payment basis throughout the year. Provisions under development which would allow States to distribute advance payments of EITC through State welfare agencies.

3. Mainstream Forum - H.R. 4414

Require that welfare recipients, as well as those whose Medical Assistance, AFDC, or Food Stamp benefits have been terminated, be notified (in writing) of the availability of EITC.

Require that employers inform new employees of option of having advance EITC payments through their payroll.

4. House Republican - H.R. 3500

EITC is capped at 2% plus inflation (see FINANCING section).

5. Senate Republican - S. 1795

No new provisions.

C. Work Should Pay Better Than Welfare

1. Current Law

Current earned income disregard policy is to exclude \$90 of work expenses and an additional \$30 and 1/3 (for 12 months) from earned income in determining benefit amounts. Additional sums above that amount reduce benefits dollar for dollar. Recipients who leave AFDC due to earnings are eligible for 1 year of transitional medicaid.

2. Administration Proposal - H.R. 4605/S.2224

Replace the current income disregard policy and instead require States to disregard a time invariant minimum of \$120 in earnings, indexed for inflation in rounded increments of \$10. States will have the option to establish their own disregard policies on income above this amount. Additionally, States will have complete flexibility in establishing fill-the-gap policies.

3. Mainstream Forum - H.R. 4414

States option to liberalize the earned-income disregard by staying within guideline of enacting AFDC countable income tests up to a ceiling whereby maximum monthly disregard is \$225 in addition to 1/3 of all remaining earned income and the minimum is a monthly disregard of \$120.

Increase transitional medicaid to two years; pass health care reform. State option to waive the 100 hour rule for two parent families.

4. House Republican - H.R. 3500

States have complete flexibility to modify the current 30 and 1/3 income deduction rule, but not by more than disregarding the first \$200 in earned income plus 1/2 the remaining amount.

5. Senate Republican - S. 1795

No new provisions.

D. **Changes in Asset and Resource Limits**

1. Current Law

Under current AFDC law, applicants and recipients are eligible for benefits if their assets do not exceed \$1,000 (or lower at State option), with few exclusions. In the Food Stamp program, the resource limit is \$2,000 (\$3,000 for households with a person aged 60 or older). Additionally, the current AFDC automobile exclusion is set by regulation at \$1,500 equity value (or a lower limit set by the State) in one vehicle with any excess equity value counted toward the \$1,000 AFDC resource limit. The Food Stamp Act provides for the total exclusion of vehicles that are used over 50 percent of the time for income-producing purposes; annually producing income consistent with their FMV; necessary for long distance travel for work (other than daily commute); used as the household's home; or needed to transport a physically disabled household member. For the following vehicles, the amount of the FMV over \$4,500 is counted as a resource: one per household (regardless of use); and vehicles used for work, training or education to prepare for work in accordance with food stamp employment and training requirements. For all other vehicles, the FMV over \$4,500 or the equity value, whichever is more, is counted as a resource.

2. Administration Proposal - H.R. 4605/S.2224

Increase the AFDC resource limit to \$2,000 (or \$3,000 for a household with a member age 60 or over) to conform to the Food Stamp resource limit. Implement Individual Development Accounts which will allow recipients to save up to \$10,000 in accounts to be used for specific purposes.

3. Mainstream Forum - H.R. 4414

Increase in AFDC Resource limit to \$2,000 to conform with Food Stamps.

Exclusion from resources for AFDC: all income of a dependent child who is a student; energy assistance payments, based on need; real property the family is making good faith effort to sell; life insurance policies; equity in income producing real property; personal property of a family member that is essential to the employment or self employment of the member, until the expiration of the 1 year period beginning on the date the member ceases to be employed or so self employed; earnings from state training program under JPTA; and essential employment related property. There are also ten amendments to the Food Stamp Act which make similar provisions.

4. House Republican - H.R. 3500

Change asset limit to \$10,000 for purposes of micro-enterprise and education.

5. Senate Republican - S. 1795

No new provisions.

IX. IMPROVING GOVERNMENT ASSISTANCE

A. Simplification and Coordination Across Programs

1. Current Law

Complex and conflicting rules; programs have different missions and serve different populations.

2. Administration Proposal - H.R. 4605/S.2224

Includes many technical provisions which simplify, coordinate, or conform program rules among the AFDC and Food Stamp programs. Client protection and State flexibility would be retained and/or enhanced.

3. Mainstream Forum - H.R. 4414

Twenty specific proposals to simplify the application process for AFDC and Food Stamps and move toward conformity between the two programs. (see changes in Asset and Resource Limits above)

Extend waiver deadline "for action on waivers" to 90 days.

State option to provide AFDC through Electronic Benefit Transfer.

4. House Republican - H.R. 3500

Establish Interagency Waiver Request Board to develop and coordinate waiver requests.

5. Senate Republican - S. 1795

Creates an interagency waiver request Board that would assist States and other entities in applying for waivers and implement a 5 year waiver process. Entities must establish a public-private partnership committee to advise them on the plan. Applications not acted upon within 90 days would be automatically approved. Waiver authority is extended to programs that provide cash assistance, education, employment training, health, housing, nutrition or social services.

B. Two-Parent Families

1. Current Law

AFDC-UP covers families in which both parents are living in the household and principal earner is unemployed. As of 9/93 the number of AFDC-UP cases was 355,000; Two-parent families are ineligible if the primary wage earner works more than 100 hours per month, or if neither parent has been employed in six of the previous thirteen quarters. Seven States have received waivers of the 100-hour rule: CA, IL, IA, MI, UT, VT, WI; About half of the States have taken the option to provide only six months of benefits per year to two-parent families.

2. Administration Proposal - H.R. 4605/S.2224

State flexibility to remove or amend special eligibility requirements for two-parent families (applicants and/or recipients), such as the 100 hour rule and the quarters of work rule.

3. Mainstream Forum - H.R. 4414

State option to eliminate 100 hour rule and the six month benefit receipt maximum for two parent families.

Eliminate the quarters of coverage requirement under AFDC-UP for married individuals if both are under the age of 20. Extend Transitional Care to 2 parent Families.

4. House Republican - H.R. 3500

States are permitted to allow AFDC recipients who marry someone who is not a parent of their child who subsequently become ineligible for AFDC to keep up to 50 percent of their current benefit if the total family income does not exceed 150 percent of poverty.

5. Senate Republican - S. 1795

States are permitted to allow AFDC recipients who marry someone who is not a parent of their child who subsequently become ineligible for AFDC to keep up to 50 percent of their current benefit if the total family income does not exceed 150 percent of poverty. Requires at least one parent in UP families to participate in the work program as soon as the family comes on the rolls. States have the option to require the other parent to be in either the transition or work programs. Parents under age 25 who have not completed high school can be required to participate in education activities. CWEP participation rates for UP families are increased to 90% by FY 1998.

C. Waste, Fraud, Abuse

1. Current Law

QC system to ensure payment accuracy.

2. Administration Proposal - H.R. 4605/S.2224

Enhanced information systems will enable large-scale prevention and detection of fraud and abuse.

3. Mainstream Forum - H.R. 4414

Require the Secretary to conduct a study on the feasibility of a tamper-proof card to serve programs under SSA and Health Care Reform legislation. Proposals for eliminating fraud and abuse in the SSI program. (NOT law--suggestions)

4. House Republican - H.R. 3500

HHS is authorized to conduct demonstrations on EBT. Within 5 years a report must be written for Congress about the study. Appoint a commission to determine cost and feasibility of creating an inter-state system of Social Security numbers of all welfare participants for purposes of identifying fraud.

5. Senate Republican - S. 1795

Requires States to establish fraud control units. Persons found guilty of fraud shall immediately become permanently ineligible for AFDC benefits. HHS is authorized to conduct demonstrations on EBT. Within 5 years a report must be written for Congress about the study. Appoint a commission to determine cost and feasibility of creating an inter-State system of Social Security numbers of all welfare participants for purposes of identifying fraud.

D. Performance Standards and Evaluation

1. Current Law

The Family Support Act required that the Secretary, in consultation with appropriate parties, develop a performance standards system proposal for Congressional consideration. The FSA also required various studies and reports to determine the effectiveness of the JOBS program.

2. Administration Proposal - H.R. 4605/S.2224

An outcome based performance measurement program will be implemented over time to monitor State performance on all aspects of the revised transitional assistance program, including client outcomes, provisions of services, and the percent of recipients who reach the time-limit. Funding incentives and penalties will be linked to outcomes. Two percent of total annual capped entitlement funding for JOBS, WORK, and child care to be spent on research, demonstrations, evaluation, and technical assistance.

3. Mainstream Forum - H.R. 4414

The State shall (in accordance with regulations proscribed by the Secretary) develop standards to be used to measure the effectiveness of the programs established under Work First and the Community Service Jobs Program in moving the clients to full time unsubsidized jobs. If the Secretary determines that the programs established by the State have failed to meet their proscribed performance standards, funding will cut to a 50% match.

4. House Republican - H.R. 3500

Require DHHS to fund research that examines the impacts of education and training programs on exits from AFDC, welfare expenditure, wage rates, employment histories, and repeat spells on AFDC. Federal matching rate for new JOBS funds will drop to flat 50% if States don't achieve minimum participation rates: 15% in FY94, 20% in FY95, 30% in FY96, 40% in FY97, 50% in FY98 ... 90% in FY02.

5. Senate Republican - S. 1795

Requires HHS to conduct 5-year studies evaluating the impact of education and training programs for AFDC families. At least one site must use random assignment to compare a control group with a group that participates in education and training and another group that receives job search and a work program.

X. PHASE-IN

1. Current Law

Not applicable.

2. Administration Proposal - H.R. 4605/S.2224

People born on or after January 1, 1972, beginning in 1995 will be subject to the time-limit provisions. States would have the option to define the phase-in group more broadly, provided it included at least the population described above. Other technical changes will be effective immediately. Other time-frames for effective dates of implementation vary.

3. Mainstream Forum - H.R. 4414

October 1996--	persons	25 years of age and under
October 1997--	"	27
October 1998--	"	29
October 1999--	"	31
October 2000--	"	33
October 2005--	FULL PHASE IN	

States also have the option to accelerate phase in, or upon approval of the petition of the Secretary, delay phase in.

4. House Republican - H.R. 3500

All new and returning applicants beginning on October 1, 1994, then on October 1, 1998 the full caseload becomes subject to the time limit.

5. Senate Republican - S. 1795

All new and returning applicants beginning on October 1, 1994, then on October 1, 1998 the full caseload becomes subject to the time limit.

XI. MISCELLANEOUS PROVISIONS

A. Substance Abuse Provisions

1. Current Law

No provisions exist for the AFDC program. Under JOBS, States may expend resources to pay for supportive services (i.e., treatment programs) but participants do not count towards a State's JOBS participation rate. Additionally, States could determine that substance abusers are incapacitated and therefore JOBS exempt.

2. Administration Proposal - H.R. 4605/S.2224

At State option, participation in substance abuse programs is required activity under deferral status (sanctions can be applied if appropriate) but time limit does not apply.

3. Mainstream Forum - H.R. 4414

State option to require substance abuse treatment in addition to work/education/training as appropriate.

4. House Republican - H.R. 3500

At State option, participants of treatment programs are JOBS exempt for up to 12 months. Recipients of SSI can be tested for drug use which would result in a loss of SSI eligibility.

5. Senate Republican - S. 1795

Requires AFDC applicants and recipients who are determined to be addicted to drugs or alcohol to participate in treatment. If they do not participate satisfactorily, they will be denied benefits for 2 years, but remain eligible for Medicaid. Random drug tests shall be made of drug and alcohol addicts on SSI, and those who are on illegal drugs or refuse to submit to testing shall become ineligible.

B. Reduced Eligibility for Immigrants

1. Current Law

Eligibility rules vary greatly across various assistance programs depending on the immigration status of an individual. Legal aliens are generally eligible for assistance programs.

2. Administration Proposal - H.R. 4605/S.2224

Make the current five-year period of sponsor responsibility permanent law under the SSI program and extends from three years to five years sponsor responsibility under the AFDC and Food Stamp programs. The sponsor's income would be deemed as available to support the immigrant should they apply for public assistance. For the period beginning with six years after being lawfully admitted for permanent residence in the U.S. and until a sponsored immigrant attains citizenship status, if the sponsor has income above the U.S. median family income (\$39,500), the

sponsor will continue to be responsible for ensuring the support of the immigrant. Set consistent deeming rules for sponsored immigrants across three Federal programs (SSI, AFDC, and Food Stamps). Sponsor responsibility is based on longstanding immigration policy that immigrants should not become public charges. Establish similar eligibility criteria under four Federal programs (SSI, AFDC, Medicaid, and Food Stamps) for all categories of immigrants who are not legal permanent residents.

3. Mainstream Forum - H.R. 4414

End welfare for noncitizens [as specified in SSA 402(a)(33)] except for emergency medical services. Cut SSI, medicaid, food stamps and AFDC benefits. Legal immigrants will be allowed a year grace period before being subject to cuts. Refugees, asylees, and the elderly are exempt.

4. House Republican - H.R. 3500

Most noncitizens would no longer be eligible for welfare benefits (excluding those over 75). Those currently receiving welfare would retain eligibility for 1 year. Refugees assistance would be time-limited.

5. Senate Republican - S. 1795

Requires welfare agencies to report to INS all legal immigrants who continue to receive benefits beyond 12 months. INS is then required to treat such immigrants as public charges. Extends current deeming period until citizenship. Requires State agencies to report the names of illegal alien parents of citizen children to the INS.

C. Financing

1. Current Law

Federal financial participation in the AFDC program is 50% for administrative costs (higher for some costs, such as up to 90% for development of automated systems), and is based on the FMAP for benefits (averaging roughly 55% of all benefit costs). The FFP for JOBS is a capped entitlement of \$1 billion with various rates varying with the State activities, target groups served, or administrative costs.

2. Administration Proposal - H.R. 4605/S.2224

Serious provisions including non-citizen provisions, extension of superfund tax, cap emergency assistance to States, and modify meal-reimbursements to States, limit SSI eligibility for substance abusers, target agricultural support, and others.

3. Mainstream Forum - H.R. 4414

\$21.3 billion saved over five years by cuts in social services programs to non-citizens.

\$1.5 billion saved over five years by capping the Emergency Assistance Program.

\$1.3 billion saved over five years with the elimination of EITC benefits to illegal aliens.

\$700 million saved over five years with the elimination of the Dependent Care Tax Credit for families earning over \$120,000 a year.

\$1.6 billion saved over five years through increased paternity establishment and new child support awards which would thereby reduce AFDC caseloads.

\$380 million saved over five years through modification of Family Day Care Homes component of child care food program.

COMPARISON OF WELFARE REFORM PROVISIONS -- continued

Also, State offsets for additional costs that may result from program: \$15 billion over five years available to States through a shift on point of collection of State mail order tax from the State to catalogue companies

\$1 billion from above financing provisions will be set aside for States to defer additional costs that they may incur as a result of cuts to immigrants and other provisions in the proposal.

4. House Republican - H.R. 3500

An annual cap is placed on spending for entitlement programs including AFDC, SSI, public housing and section 8 housing, EITC, and food stamps. The cap is set at 2% plus inflation. The increase in program costs are financed by changes in other means-tested programs which result in savings. All nutritional assistance programs are combined into a single capped block grant.

5. Senate Republican - S. 1795

No provisions specified.

WELFARE REFORM: WORK

Under the President's reform plan, welfare will be about a paycheck, not a welfare check. To reinforce and reward work, our approach is based on a simple compact. Each recipient will be required to develop a personal employability plan designed to move her into the workforce as quickly as possible. Support, job training, and child care will be provided to help people move from dependence to independence. But time limits will ensure that anyone who can work, must work—in the private sector if possible, in a temporary subsidized job if necessary. Reform will make welfare a transitional system leading to work.

The combination of work opportunities, the Earned Income Tax Credit, health care reform, child care, and improved child support will make the lives of millions of women and children demonstrably better.

Making Welfare a Transition to Work: Building on the JOBS Program

Created by the Family Support Act of 1988 and championed by then-Governor Clinton, the JOBS program offers education, training, and job placement services—but to few families. Our proposal would expand and improve the current program to include:

- **A personal employability plan.** From the very first day, the new system will focus on making young mothers self-sufficient. Working with a caseworker, each woman will develop an employability plan identifying the education, training, and job placement services needed to move into the workforce. Because 70 percent of welfare recipients already leave the rolls within 24 months, and many applicants are job-ready, most plans will aim for employment well within two years.

- **A two-year time limit.** Time limits will restrict most AFDC recipients to a lifetime maximum of 24 months of cash assistance.

- **Job search first.** Participants who are job-ready will immediately be oriented to the workplace. Anyone offered a job will be required to take it.

- **Integration with mainstream education and training programs.** JOBS will be linked with job training programs offered under the Jobs Training Partnership Act, the new School-to-Work initiative, Pell Grants, and other mainstream programs.

- **Tough sanctions.** Parents who refuse to stay in school, look for work, or attend job training programs will be sanctioned, generally by losing their share of the AFDC grant.

- **Limited exemptions and deferrals.** Our plan will reduce existing exemptions and ensure that from day one, even those who can't work must meet certain expectations. Mothers with disabilities and those caring for disabled children will initially be exempt from the two-year time limit, but will be required to develop employability plans that lead to work. Another exemption allowed under current JOBS rules will be significantly narrowed: mothers of infants will receive only short-term deferrals (12 months for the first child, three months for the second). At state discretion, a very limited number of young mothers completing education programs may receive appropriate extensions.

- **Let states reward work.** Currently, AFDC recipients who work lose benefits dollar-for-dollar, and are penalized for saving money. Our proposal allows states to reinforce work by setting higher earned income and child support disregards. We also help fund demonstration projects to support saving and self-employment.

- **Additional federal funding.** To ease state fiscal constraints and ensure that JOBS really works, our proposal raises the federal match rate and provides additional funding. The federal JOBS match will increase further in states with high unemployment.

The WORK Program: Work Not Welfare After Two Years

The WORK program will enable those without jobs after two years to support their families through subsidized employment. The WORK program emphasizes:

- **Work, not "workfare."** Unlike traditional "workfare," recipients will only be paid for hours worked. Most jobs would pay the minimum wage for between 15 and 35 hours of work per week.

- **Flexible, community-based initiatives.** State governments can design programs appropriate to the local labor market: temporarily placing recipients in subsidized private sector jobs, in public sector positions, or with community organizations.

- **A Transitional Program.** To move people into unsubsidized private sector jobs as quickly as possible, participants will be required to go through extensive job search before entering the WORK program, and after each WORK assignment. No WORK assignment will last more than 12 months. Participants in subsidized jobs will not receive the EITC. Anyone who turns down a private sector job will be removed from the rolls, as will people who repeatedly refuse to make good faith efforts to obtain available jobs.

Supporting Working Families: The EITC, Health Reform, Child Care

To reinforce this central message about the value of work, bold new incentives will make work pay and encourage AFDC recipients to leave welfare.

- **The Earned Income Tax Credit (EITC).** The expanded EITC will lift millions of workers out of poverty. Already enacted by Congress, the EITC will effectively make any minimum wage job pay \$6.00 an hour for a typical family with two children. States will be able to work with the Treasury Department to issue the EITC on a monthly basis.

- **Health care reform.** Universal health care will allow people to leave welfare without worrying about coverage for their families.

- **Child care.** To further encourage young mothers to work, our plan will guarantee child care during education, training, and work programs, and for one year after participants leave welfare for private sector employment. Increased funding for other federal child care programs will bolster more working families just above the poverty line and help them stay off welfare in the first place. Our plan also improves child care quality and ensures parental choice.

WELFARE REFORM: RESPONSIBILITY

Our current welfare system often seems at odds with core American values, especially responsibility. Overlapping and uncoordinated programs seem almost to invite waste and abuse. Non-custodial parents frequently provide little or no economic or social support to their children. And the culture of welfare offices often seems to reinforce dependence rather than independence. The President's welfare plan reinforces American values, while recognizing the government's role in helping those who are willing to help themselves.

Our proposal includes several provisions aimed at creating a new culture of mutual responsibility. We will provide recipients with services and work opportunities, but implement tough, new requirements in return. These include provisions to promote parental responsibility, ensuring that both parents contribute to their children's well-being. The plan also includes incentives directly tied to the performance of the welfare office; extensive efforts to detect and prevent welfare fraud; sanctions to prevent gaming of the welfare system; and a broad array of incentives that the states can use to encourage responsible behavior.

Parental Responsibility

The Administration's plan recognizes that both parents must support their children, and establishes the toughest child support enforcement program ever proposed. In 1990, absent fathers paid only \$14 billion in child support. But if child support orders reflecting current ability to pay were established and enforced, single mothers and their children would have received *\$48 billion*: money for school, clothing, food, utilities, and child care. As part of a plan to reduce *and* prevent welfare dependency, our plan provides for:

- **Universal paternity establishment.** Hospitals will be required to establish paternity at birth, and each applicant will be required to name and help find her child's father before receiving benefits.
- **Regular awards updating.** Child support payments will increase as fathers' incomes rise.
- **New penalties for those who refuse to pay.** Wage-withholding and suspension of professional, occupational, and drivers' licenses will enforce compliance.
- **A national child support clearinghouse.** Three registries—containing child support awards, new hires, and locating information—will catch parents who try to evade their responsibilities by fleeing across state lines. Centralized state registries will track support payments automatically.
- **State initiatives and demonstration programs.** States will be able to make young parents who fail to meet their obligations work off the child support they owe. Demonstration grants for parenting and access programs—providing mediation, counseling, education, and visitation enforcement—will foster non-custodial parents' ongoing involvement in their children's lives. And child support assurance demonstrations will let interested states give families a measure of economic security even if child support is not collected immediately.
- **State options to encourage responsibility.** States can choose to lift the special eligibility requirements for two-parent families in order to encourage parents to stay together. States will also be allowed to limit additional benefits for children conceived by women on welfare.

Accountability for Taxpayers

To eliminate fraud and ensure that every dollar is used productively, welfare reform will coordinate programs, automate files, and monitor recipients. New fraud control measures include:

- **State tracking systems to help reduce fraud.** States will be required to verify the income, identity, alien status, and Social Security numbers of new applicants and assign national identification numbers.
- **A national public assistance clearinghouse.** Using identification numbers, the clearinghouse will follow people whenever and wherever they use welfare, monitoring compliance with time limits and work. A national "new hire" registry will monitor earnings to check AFDC and EITC eligibility, and identify non-custodial parents who switch jobs or cross state lines to avoid paying child support.
- **Tough sanctions.** Anyone who refuses to follow the rules will face tough new sanctions, and anyone who turns down a job offer will be dropped from the rolls. Cheating the system will be promptly detected and swiftly punished.

Performance, Not Process

The Administration's plan demands greater responsibility of the welfare office itself. Unfortunately, the current system too often focuses on simply sending out welfare checks. Instead, the welfare office must become a place that is fundamentally about helping people earn paychecks as quickly as possible. Our plan offers several provisions to help agencies reduce paperwork and focus on results:

- **Program coordination and simplification.** Conforming AFDC and Food Stamp regulations and simplifying both programs' administrative requirements will reduce paperwork.
- **Electronic Benefits Transfer (EBT).** Under a separate plan developed by Vice President Gore, states will be encouraged to move away from welfare checks and food stamp coupons toward Electronic Benefits Transfer, which provides benefits through a tamper-proof ATM card. EBT systems will reduce welfare and food stamp fraud, and lead to substantial savings in administrative costs.
- **Improved incentives.** Funding incentives and penalties will be directly linked to the performance of states and caseworkers in service provision, job placement, and child support collection.

WELFARE REFORM: REACHING THE NEXT GENERATION

Preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform. Each year, 200,000 teenagers aged 17 and younger have children. Their children are more likely to have serious health problems—and they are much more likely to be poor. Almost 80 percent of the children born to unmarried teenage parents who dropped out of high school now live in poverty. By contrast, only eight percent of the children born to married high school graduates aged 20 or older are poor. Welfare reform will send a clear and unambiguous message to adolescents: you should not become a parent until you are able to provide for and nurture your child. Every young person will know that welfare has changed forever.

Preventing Teen Pregnancy

To prevent welfare dependency in the first place, teenagers must get the message that staying in school, postponing pregnancy, and preparing to work are the right things to do. Our prevention approach includes:

- **A national campaign against teen pregnancy.** Emphasizing the importance of delayed sexual activity and responsible parenting, the campaign will bring together local schools, communities, families, and churches.
- **A national clearinghouse on teen pregnancy prevention.** The clearinghouse will provide communities and schools with curricula, models, materials, training, and technical assistance relating to teen pregnancy prevention programs.
- **Mobilization grants and comprehensive demonstrations.** Roughly 1000 middle and high schools in disadvantaged areas will receive grants to develop innovative, ongoing teen pregnancy prevention programs targeted to young men and women. Broader initiatives will seek to change the circumstances in which young people live and the ways that they see themselves, addressing health, education, safety, and economic opportunity.

Phasing in Young People First

Initial resources are targeted to women born after December 31, 1971. Phasing in the new system will direct limited resources to young, single mothers with the most at risk; send a strong message to teenagers that welfare as we know it has ended; most effectively change the culture of the welfare office to focus on work; and allow states to develop effective service capacity.

A Clear Message for Teen Parents

Today, minor parents receiving welfare can form independent households; often drop out of high school; and in many respects, are treated as if they were adults. Our plan changes the incentives of welfare to show teenagers that having children is an immense responsibility rather than an easy route to independence.

- **Supports and sanctions.** The two-year limit will not begin until teens reach age 18, but from the very first day, teen parents receiving benefits will be required to stay in school and move toward work. Unmarried minor mothers will be required to identify their child's father and live at home or with a responsible adult, while teen fathers will be held responsible for child support and may be required to work off what they owe. At the same time, caseworkers will offer encouragement and support; assist with living situations; and help teens access services such as parenting classes and child care. Selected older welfare mothers will serve as mentors to at-risk school-age parents. States will also be allowed to use monetary incentives to keep teen parents in school.

WELFARE REFORM QUESTIONS

Ending Welfare As We Know It/Time Limit

- (1) It seems like this proposal changes welfare, but doesn't end it, and in a way expands it. How does it redeem the campaign promises to end welfare as we know it?
- (2) Does anyone ever actually have their benefits terminated under this plan?
- (3) How many people will get off the welfare rolls as a result of this proposal and when?
- (4) Why did you chose a two-year limit? Won't this lead to a people staying on AFDC for the full two-year period (haven't you just created a two year entitlement to AFDC)? How soon does a person have to start looking for work?
- (5) Isn't this welfare as usual for recipients over age 25? Doesn't that go against the President's campaign promise to "end welfare as we know it?"
- (6) How many people will be exempt from participation?
- (7) What are the specific sanctions against people who refuse regular, unsubsidized jobs?
- (8) Do you think the Administration's Proposal Addresses the problem of substance abuse by AFDC recipients sufficiently? Why are the Administration's estimates of substance abuse among AFDC recipients so much lower than those of Joseph Califano's Center on Addiction and Substance Abuse (CASA)?
- (9) How would the Administration assure that substance abuse treatment is available to AFDC recipients?
- (10) The President's proposal assumes that jobs will be waiting for those who seek to leave welfare for work in the private sector. What evidence exists that this is the case?
- (11) What happens to the children if someone's benefits and/or public job are terminated?

Note: Bold indicates key questions

- (12) Given the diversity of the AFDC caseload, isn't a two-year limit too rigid? Since AFDC recipients vary tremendously in terms of their job skills, shouldn't the limit be one year for some and three years for others?
- (13) Is the two-year limit on cash assistance a lifetime limit?
- (14) What does the proposal do about welfare fraud?
- (15) How will state agency staff be trained to assume their new roles as case managers and coordinators of a wide range of services? How will this training be paid for?
- (16) Why not simply fully fund the existing JOBS program and give it more time to work? Why not wait to learn more from waivers and demos before making dramatic changes in the system that may not work?
- (17) To what extent are welfare reform efforts complicated by larger issues such as labor market conditions/trends?
- (18) What is the proper balance between work expectations and parenting responsibilities?
- (19) How will success be defined in welfare reform?
- (20) If a parent isn't willing to or accept a job offer that the recipient feels is beyond their capacity or has no private health insurance coverage, is the entire family sanctioned? What outcomes do you expect for children in this situation? Aren't they being punished or neglected due to the actions of their parents?
- (21) People will begin with two years of JOBS, then have the option of two one-year WORK assignments. If they can't find a job and still need public assistance they may move back into JOBS or even pre-JOBS. So are there really any time limits here?
- (22) Why not put older welfare recipients or recipients with children in school or in Head Start to work immediately, since they are less likely to have children in need of child care?
- (23) You allow an extension of the time limit to individuals who need it to complete an education or training program. Surely two years for such programs is enough. Don't the extensions and exceptions throughout this proposal distort this welfare effort significantly, such that it becomes indistinguishable from the current system?
- (24) Will there be any expectation of people on waiting lists? How long can a person wait on such a list before services and expectations are in place for them? Has anything really changed for these people?

- (25) What happens to a recipient who goes on the rolls, agrees to an employability plan and then is never provided the services she needs to get a job due to State inertia. What recourse does she have?
- (26) How does this welfare reform legislation fit into other Administration initiatives ?
- (27) Can someone who takes a job, but leaves it after 6 months, return to AFDC?
- (28) If the sanctions include a termination of all AFDC benefits, who will ensure that the children are not harmed by this?
- (29) How will the plan deal with the elimination of the safety net of housing assistance, food stamps, etc, once a person has found private sector employment?

Phase-in

- (1) How many AFDC recipients are affected by the Administration's proposal? How many are not? Why is the effect so limited?
- (2) Why did the Administration choose this phase-in mechanism?
- (3) Will people who are not in the phased-in group have no expectations placed on them whatsoever?
- (4) Can states chose to cover people other than the phase-in group?
- (5) MDRC's newest findings show negative impacts under the New Chance demonstration for younger AFDC mothers and the positive impacts under the GAIN demonstration for older mothers. Don't these findings argue against the Administration's strategy of initially focusing the time-limited program on young mothers?
- (6) How long will take to phase-in all AFDC recipients?
- (7) Did you consider focusing on other groups such as those with the closest connections to the work force who would be most likely to make the successful transition off of welfare, at lower costs, and with fewer child care needs?

State Implementation/Flexibility

- (1) How much State flexibility is there in the plan? Can states still submit requests for waivers?

- (2) What will happen to states with waivers in place, particularly waivers that provide special services to AFDC recipients other than those in the phase-in group? What will happen to states that implemented time units under a Section 1115 waiver.
- (3) Will states be able draw down the money made available for JOBS/WORK, since some have been unable to under the 1988 Family Support Act?
- (4) What will be the incentives/matching rates for states?
- (5) Is there a difference between rural poverty and urban poverty and will welfare reform take those differences into consideration (for transportation, child care, etc.)?
- (6) Are the states ready for welfare reform? Will they be able to implement welfare reform, including changes in AFDC, JOBS, and child support enforcement? If not immediately then when?
- (7) With the new income disregards in AFDC, what will be the highest actual income a person could earn and still receive benefits? Will this be different across States?
- (8) How will this plan affect people in the territories?
- (9) How will the performance of states be assessed to determine the degree to which states have adequately served participants in the JOBS and WORK programs?
- (10) The Family Support Act proposed to develop performance standards but they were never implemented. Why will the performance standards of the Administration's bill be any more successful?

Cost/Financing

- (1) How much does this program cost? Why is it more expensive to get people off welfare than to keep them on the existing AFDC program?
- (2) How will this reform proposal be paid for?
- (3) Why are you financing welfare reform on the backs of immigrants and the homeless?
- (4) How much of the burden of financing this bill is going to fall on legal immigrants?
- (5) What are the provisions, if any, affecting needy aliens?
- (6) Does the Administration's financing package shift cost to the states ?

- (7) Do illegal aliens receive any federal benefits?
- (8) How many legal aliens receive public assistance benefits?
- (9) How is the citizenship status of AFDC applicants verified?
- (10) What changes does the President's welfare reform bill make to alien eligibility for federal assistance programs?

JOBS Program

- (1) **Federally-supported job training programs do not have a successful track record, why will this program be more effective?**
- (2) Will tribes receive direct funding for JOBS?
- (3) Who will determine appropriate training for each recipient?
- (4) How will job training program under JOBS be coordinated with existing job training programs in the Department of Labor? How is coordinated with the Administration's Re-employment Act?
- (5) If the JOBS and Work programs are part of "One Stop Shopping", what agency will administer the programs and pay for the training?
- (6) Could a person be provided with some services without being brought completely into the program?
- (7) What participation rate standards will states be held to under the new enhanced JOBS program? What will the required participation rates be under the WORK program?

WORK Program

- (1) **Why should the government provide jobs to people on welfare? Won't this take jobs away from working people?**
- (2) **What kinds of publicly-supported jobs would people get under this program? How much would they be paid? Will they be jobs that provided training to move into higher paying and/or higher skilled labor? Who pays for the supervision of these workers? Will they be required to do anything besides show up for work (continued job search in the private sector, additional training)?**
- (3) **What happens to those in areas with high unemployment, such as reservations, who cannot find jobs?**

- (4) Won't people stay in the WORK program forever? How long will an individual be allowed to stay in a public service or subsidized private sector job? Will families be penalized if no work is available?
- (5) What incentives will there be for a private employer to hire a person from the WORK program? What will motivate a private employer to shift a person from subsidized to non-subsidized employment?
- (6) Will there be allowances in the WORK program for part-time work? Can someone work part-time and collect benefits forever? Does the clock stop for part-time work?
- (7) How will states be able to generate the necessary WORK slots, given the mixed history of subsidized jobs?
- (8) Do you anticipate union objections to your public services jobs? Will employers prefer clients subsidized through welfare to paying "full price" to those who are not on the system? How are you assuring that there will be no displacement of private sector workers?
- (9) Why does the plan not create full-scale public service jobs like those created under CETA. How will these be better than the CETA program, which is generally viewed as unsuccessful? Is there any evidence that these jobs are worth the additional expenditure of public dollars?
- (10) What controls will be in place to detect fraud in the WORK program? Is it possible, that the program will become a giveaway to private sector employers?
- (11) Who develops/controls the new WORK programs? What is the Federal role, the State role, the local role?
- (12) Will WORK participants, both in subsidized private sector jobs and public sector jobs, receive the same benefits as other employees who do not hold their jobs through the WORK program?
- (13) How will it be determined whether WORK participants are hired by the public or private sector?
- (14) Will there be any money saved with the Jobs/Work program?

Child Care

- (1) How much will this proposal to expand federally-funded child care cost? Who will have access to this child care, just AFDC recipients or the working poor as well?

- (2) Why was additional money for working poor child care scaled back? Won't the scarcity of funds provide an incentive for women needing child care to return to welfare, where subsidies are guaranteed?
- (3) How much will subsidized child care cost? How long will it be provided for each family? Are some families in the same economic circumstances being left out? Isn't this inequitable? Will people who are not in the phased-in group have access to services such as child care and JOBS? Will there be enough resources for these individuals?
- (4) Why not consolidate all child care programs and make more efficient use of limited dollars?
- (5) Does your proposal give child care to all AFDC recipients in JOBS or WORK, as well as the working poor? If so, how do you justify the cost to the government to provide a single woman, working in a minimum wage job, child care assistance and the EITC? Wouldn't it actually cost less for her to simply receive AFDC? And wouldn't it make more sense, especially if she has young children, for her to receive AFDC and be able to stay home and raise her children?
- (6) What child care services are available for a welfare recipient taking a private sector job?

Child Support

- (1) How are you proposing to strengthen the child support system? Your savings seem unrealistically high, can you support them?
- (2) How will fathers pay support if they don't have jobs? Will anything be required of fathers who cannot pay the child support they owe?
- (3) Will you provide funding for job allotments for unemployed males who are noncustodial parents?
- (4) Since there is general agreement about reforming the child support enforcement system, why not go ahead and pass those provisions separately this year?
- (5) How many people would get off welfare if all non-custodial parents paid the support they were suppose to pay?
- (6) How will the adequate legal safeguards and protections afforded through a judicial review and process possibly be maintained if you move to an administrative process as proposed?

- (7) Why are all families included in State child support registries to be reviewed automatically every three years? The proposal calls for expensive upgrading of the system; will the savings really exceed the cost?
- (8) Is three years the appropriate time frame in which to review all cases?
- (9) Is it appropriate for this system to become involved in non-AFDC cases? Will the outcome warrant the spending necessary?
- (10) How burdensome will this system be on employers? Will the additional paperwork required to report all new hires discourage employers from participating, or from willingness to hire people who will require such paperwork?
- (11) Many parents pay child support regularly and faithfully. Is it necessary to impose such a "big brother" system on all non-custodial parents?
- (12) How do you expect a non-custodial parent to work to meet his/her support obligation when sanctions include suspension of drivers licenses and professional licenses? Isn't this counter-productive?
- (13) Your child support enforcement proposals seem to include many in-state mandates as well; won't this be an additional burden on states?

Teen Pregnancy Prevention

- (1) What are you doing in this proposal to turn the tide on teen pregnancy and out-of-wedlock births?
- (2) Why does the Clinton proposal allow States to implement family caps if numerous studies state that they are ineffective?
- (3) What happens to the children born to women subject to the family cap? How does your plan ensure that they are adequately cared for?
- (4) What kind of results can be realistically expected from a "national campaign"? How long would you expect it to be before we see any results?
- (5) If this administration is serious about reducing the number of people on welfare, why has limiting welfare benefits for additional children been left as a State option?

- (6) What are you doing to address the issue of men who father children out-of-wedlock?
- (7) I understand teen mothers will be required to live at home or with a responsible adult, how will you handle situations where the minor mother is threatened by the home environment? Will the minor be allowed to live with another responsible adult without having to prove that living with the parent could be destructive? Who will determine whether the responsible adult is appropriate? How easy will it be for a minor mother to get a good cause exemption in order to continue living on her own? Is this proposal likely to have any real impact, or is it mainly symbolic?

Improving Government Assistance

- (1) By allowing States the option to provide benefits for a larger proportion of two parent families, aren't we going to increase welfare rolls?
- (2) The higher earnings disregard in the first four months of AFDC receipt is to encourage work. If the Administration intends to encourage work, why does the proposal allow States the option of changing the disregard so that disposable income for a recipient could end up being lower in the first four months than under current law?
- (3) By allowing States the option of treating single parent families differently than dual parent households, aren't we discriminating against intact families?
- (4) During the campaign, President Clinton often spoke of helping those on welfare attain self-sufficiency through self-employment or by allowing individuals to save money for activities that could help lead to self-sufficiency. What activities in the plan would fulfill this campaign pledge?

Ending Welfare As We Know It/Time Limit

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- (22) Why not put older welfare recipients or recipients with children in school or in Head Start to work immediately, since they are less likely to have children in need of child care?
- (23) You allow an extension of the time limit to individuals who need it to complete an education or training program. Surely two years for such programs is enough. Don't the extensions and exceptions throughout this proposal distort this welfare effort significantly, such that it becomes indistinguishable from the current system?
- (24) Will there be any expectation of people on waiting lists? How long can a person wait on such a list before services and expectations are in place for them? Has anything really changed for these people?

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- (26) How does this welfare reform legislation fit into other Administration initiatives ?
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- (29) How will the plan deal with the elimination of the safety net of housing assistance, food stamps, etc, once a person has found private sector employment?

Ending Welfare As we Know it/Time Limit

QUESTION:

It seems like this proposal changes welfare, but doesn't end it, and in a way expands it. How does it redeem the campaign promises to end welfare as we know it?

ANSWER:

- ▶ Our proposal changes the basic assumptions of the welfare system, emphasizing work and responsibility instead of ongoing cash support. Under the President's plan, welfare offices will focus on helping people get paychecks, not welfare checks. Support, job training, and child care will be provided to help people move from dependence to independence. But time limits will ensure that anyone who can work, must work--in the private sector if possible, in a temporary subsidized job if necessary. At the same time, by focusing on young people, we send a clear signal to today's teenagers that welfare as we know it has ended.
- ▶ Most importantly, after two years, everyone will be required to work. People who don't work will not be paid. That is a straightforward and radical end to the status quo.

Does Plan End Benefits

QUESTION:

Does anyone ever actually have their benefits terminated under this plan?

ANSWER:

- ▶ President Clinton's welfare reform plan will demand responsibility by requiring anyone who can work to work within two years, in the private sector if possible, in a subsidized job if necessary. Anyone who turns down a private sector job will be removed from the rolls, as will people who repeatedly refuse to make good faith efforts to obtain available jobs. Sanctions will ensure that people fulfill the requirements of the JOBS and WORK Programs.
- ▶ In addition, the President's plan will move people into the workplace as quickly as possible, by making WORK assignments less attractive than unsubsidized alternatives. We limit each WORK assignment to one year; require frequent job search; and withhold the EITC from WORK participants in subsidized jobs. After two years, WORK participants who have not found unsubsidized work will be individually assessed. Those who fail to apply for open unsubsidized jobs, who fail to cooperate with potential employers, or who turn down job offers will be removed from the program and barred from applying for further subsidized work for six months.
- ▶ However, participants who are willing to work and play by the rules will not be left without a way to provide support for their families, just because they live in an area where there are no jobs available for them.

Numbers Leaving Welfare

QUESTION:

How many people will get off the welfare rolls as a result of this proposal, and when?

ANSWER:

- ▶ In the year 2000, 2.4 million adults will be subject to the new rules, including time limits and work requirements. Using our best estimates, almost one million people will either be off welfare or working. 331,000 people who would have been on welfare will have left the welfare rolls. 222,000 parents will be working part-time in unsubsidized jobs. 394,000 people will be in subsidized jobs in the WORK program -- that's up from 15,000 now.
- ▶ Ultimately, welfare reform's success must be measured not by the program's size but by its ability to help people keep jobs once they leave welfare. Already, 70 percent of welfare recipients leave the rolls within two years. But most (2/3) return within three years. The supports in our reform plan will enable people to stay in jobs, remain self-sufficient, and leave the welfare system for good.
- ▶ The plan also includes new provisions to prevent teen pregnancy and welfare dependency. By changing the incentives of welfare and launching a national prevention campaign, it sends a strong signal to teens that pregnancy and childbirth should be delayed. We also focus on teens who are already mothers -- with mentoring, child care, time-limited AFDC benefits, requirements to live with a responsible adult and identify their child's father, incentives to stay in school, and other services necessary to put them on the path to work and self-sufficiency. Our child support provisions provide a further way to reduce and prevent welfare dependency.

Why Two Years

QUESTION:

Why did you choose a two-year limit? Won't this lead to people staying on AFDC for the full two-year period (haven't you just created a two-year entitlement to AFDC)? How soon does a person have to start looking for work?

ANSWER:

- ▶ A two year lifetime limit tells those entering the welfare system that AFDC is a temporary income support program, yet remains sensitive to the fact that all recipients are not yet job ready. We believe that two years is enough time for most people to obtain the skills and training they need to find jobs and become economically self sufficient. In fact, 70 percent of welfare recipients already leave the rolls within two years.

From the very first day, the new system will focus on making young mothers self-sufficient. Working with a caseworker, each woman who is in JOBS or temporarily deferred will develop an employability plan identifying the education, training, and job placement services needed to move into the workforce. Because many applicants are job-ready, most plans will aim for employment well within two years. New recipients who are job-ready will immediately be oriented to the workplace through job search. Anyone offered a job will be required to take it.

Does Plan End Welfare as we Know It?

QUESTION:

Isn't this welfare as usual for recipients over age 25?
Doesn't this go against the President's pledge to *end welfare as we know it*?

ANSWER:

- ▶ We have ended welfare as we know it, through bold changes in parental responsibility, child support enforcement, and the JOBS program. We have changed the incentives for recipients by making work more attractive and more possible. We have changed the incentives for States by making them help clients achieve self-sufficiency, rather than just hand out checks.
- ▶ The system will be vastly different for those over 25 as well. Tough new child support enforcement measures will benefit all recipients. Universal health care and the expanded EITC will help women find permanent employment and achieve financial security.
- ▶ JOBS and child care funds will also support services to welfare recipients outside the mandatory phase-in group. Given the reasonable phase-in requirements of our proposal, there will be sufficient resources to provide substantial services to these other individuals.
- ▶ States may also choose to phase older recipients into the time limited system -- with federal matching funds.

How Many People Will be Exempt

QUESTION:

How many people will be exempt from participation?

ANSWER:

- ▶ Our plan will reduce existing exemptions and ensure that from day one, even those who can't work must meet certain expectations. Mothers with disabilities and those caring for disabled children will initially be exempt from the two-year time limit, but could be required to take steps that would lead to work. Another exemption allowed under current JOBS rules will be significantly narrowed: mothers of infants will receive only short-term deferrals (12 months for the first child, three months for the second). Currently, mothers of children under three are deferred. Our plan also allows states to grant appropriate extensions to a very limited number of young mothers completing education programs.
- ▶ By the year 2000, we estimate that 2.4 million adults will be phased-in and subject to the new rules, including time limits and work requirements, and of these approximately 560,000 will be deferred under these criteria.

Sanctions for Refusing a Job

QUESTION:

What are the specific sanctions against people who refuse regular, unsubsidized jobs?

ANSWER:

- To tell parents that they must support their families, we have substantially increased the penalty for failing to take an unsubsidized job. Both before and after the 2-year time limit, recipients refusing to accept unsubsidized jobs without good cause will lose family cash benefits for 6 months or until they accept unsubsidized jobs. For a typical family, the amount lost will be about \$400 per month.

Former recipients who have reached the time limit and who quit unsubsidized jobs without good cause will be ineligible for the WORK program for 3 months.

Substance Abuse Among AFDC Recipients

QUESTION:

Do you think the Administration's proposal addresses the problem of substance abuse by AFDC recipients sufficiently? Why are the Administration's estimates of substance abuse among AFDC recipients so much lower than those of Joseph Califano's Center on Addiction and Substance Abuse (CASA)?

ANSWER:

- ▶ Our proposal recognizes that substance abuse is a significant barrier to self sufficiency for some AFDC families. Within our overall emphasis on state flexibility, states may require substance abuse treatment as part of an individual's employability plan. Depending on the severity of the problem, treatment might be included either as a supportive service, in conjunction with a primary activity like job training, or, if the problem is especially severe, the individual could be temporarily deferred from JOBS participation and required to get treatment. The state may impose JOBS sanctions for non-participation in treatment.
- ▶ Our estimates of substance abuse in the AFDC population focus on the question of impairment -- that is inability to participate in education or training -- while CASA's study measures drug use in the past year or heavy alcohol use twice in the past month. For the purposes of welfare reform, we believe our impairment analysis is the more applicable.
 - HHS estimates that 4.5% of the adults receiving AFDC have substance abuse problems that are severe enough that they are likely to preclude the individual's immediate participation in education or training activities.
 - HHS's analysis also estimates that an additional 10.5% of adults receiving AFDC have a moderate substance abuse impairment that would likely indicate a need for substance abuse treatment as a supportive service while the individual participates in the JOBS program.
 - CASA's estimates were that 28% of adults receiving AFDC (and 37% of young recipients) "abuse or are addicted to drugs and alcohol." One time or occasional use in the past year does not necessarily indicate addiction or functional impairment. Only a subset of the group CASA identifies are seriously impaired.

Assuring Substance Abuse Treatment

QUESTION:

How would the Administration assure that substance abuse treatment is available to AFDC recipients?

ANSWER:

- ▶ Welfare recipients may be required to participate in substance abuse treatment as part of their employability plans. Substance abuse treatment may be provided under Medicaid and increasing numbers of states are finding it cost effective to do so. Through the Public Health Service we also provide funds to states for substance abuse treatment services. The President's budget requested additional funding for substance abuse treatment services this year.
- ▶ This is also a clear example of why health care reform and welfare reform are interlinked. It is through the health care system that substance abuse treatment is and should be provided. We proposed a substance abuse treatment benefit in the Health Security Act and are pleased that all major health care proposals being considered by the Congress (including both the Ways and Means and Finance Committees' bills) include such benefits.

Where Are the Jobs?

QUESTION:

The President's proposal assumes that jobs will be waiting for those who seek to leave welfare for work in the private sector. What evidence exists that is the case?

ANSWER:

- ▶ Many AFDC recipients already leave welfare for unsubsidized employment. Currently, 70 percent of recipients leave welfare within two years and 90 percent leave within five years. Women leave to enter work in fully half of these cases. But child care dilemmas, health crises, or temporary unemployment now cause most women who leave welfare to eventually return.
- ▶ The child care and child support improvements in our plan, along with the Earned Income Tax Credit and health care, will eliminate the major obstacles to employment. Our plan provides a year of transitional child care for women moving from welfare to work, in addition to increasing child care for the working poor to bolster families just above the poverty line. The expanded EITC will lift millions of workers out of poverty by effectively making any minimum wage job pay \$6.00 an hour for a typical family with two children. And universal health care will allow people to leave welfare without worrying about coverage for their families.
- ▶ Positions will be available for women moving off welfare. The Bureau of Labor Statistics predicts faster job growth over the next 20 years, with employment increasing by more than 25 million jobs by the year 2005.¹ At least 10 of the 15 occupations expected to grow most quickly do not require advanced education.² Already, more than three million private sector jobs have been created during the first 16 months of the Clinton Administration. The unemployment rate continues to drop, and is currently at six percent.
- ▶ In addition, by the year 2000, we will be creating 400,000 subsidized jobs. These positions will be available for those who hit the time limit without finding unsubsidized employment.

ANSWER:

- ▶ Transitional education and training programs will prepare recipients for the workplace and increase long-term earnings potential. President Clinton's plan requires all teen parents to finish high school and all recipients to participate in training and work preparation through the JOBS program. This approach builds on successful state and local models. In California, for example, JOBS participants' earnings increased an average of 24 percent over the control group average after the second year--55 percent at one site.³
- ▶ Even a minimum-wage job is an important step toward self-sufficiency. As women gain job skills, work experience--and faith in themselves--they will progress to better-paying jobs and real financial stability.

1. The service-producing sector will grow most, with an estimated 25 million additional jobs. The need for home health aides will increase by 138 percent; for personal and home care aides, by 130 percent; for child care workers, by 55 percent; and for food preparation workers, by 43 percent. Moderate alternative projection, cited in George Silvestri, "The American Work Force, 1992-2005 Occupational Employment: Wide Variations in Growth," Monthly Labor Review, November 1993. Occupational Outlook Quarterly also supplies a list of growing job areas (fall 1991, p. 30).

2. Isabel Sawhill, Office of Management of Budget, quoted in Employment and Training Reporter April 20, 1994, p. 605.

3. Manpower Demonstration Research Corporation studies of GAIN/Riverside, quoted in Bane/Ellwood testimony.

QUESTION:

What happens to the children if someone's benefits and/or public job are terminated?

ANSWER:

- ▶ Families who play by the rules should not be penalized. Benefits will not be cut or jobs terminated without good cause. At the same time, some sanction provisions are necessary in order to reinforce the principles of work and responsibility.
- ▶ Even during sanctions, some benefits will continue in order to protect children. During JOBS sanctions, children will still receive cash benefits, and families will keep Food Stamps, housing assistance, and medical insurance. During WORK sanctions, families will keep Food Stamps, housing assistance and medical insurance.
- ▶ These additional benefits, case management, and monitoring of the family's situation should minimize the risk to children. Our plan continues to provide a safety net for children while providing real incentives for participation in JOBS and WORK.

Two Years Too Rigid

QUESTION:

Given the diversity of the AFDC caseload, isn't a two-year time limit too rigid? Since AFDC recipients vary tremendously in terms of their job skills, shouldn't the limit be one year for some and three years for others?

ANSWER:

- ▶ A two year time limit tells those entering the welfare system that AFDC is a temporary support, yet remains sensitive to the fact that all recipients are not yet job ready. We believe that 2 years is enough time for most people to obtain the skills and training they need to find a job and become economically self-sufficient. In fact, 70% of welfare recipients already leave the rolls within 2 years, and many applicants are job ready.
- ▶ From the first day the new system will focus on making young mothers self-sufficient, and we expect many recipient to leave welfare for work well within the 2 years. Working with a caseworker, each woman will develop an employability plan identifying the education, training, and job placement services need to move into the workforce.
- ▶ Under the Administration's proposal, states will also have the flexibility to grant extensions to the time limit a limited number of certain recipients who need more time to complete the education and employment activities outlined in their employability plans.

Two Years a Lifetime Limit

QUESTION:

Is the two-year limit on cash assistance a lifetime limit?

ANSWER:

- ▶ Yes, the 2-year limit is a lifetime limit for adults in the phased-in population. These adults would be ineligible for AFDC cash assistance and would be required to register in the WORK program.
- ▶ However, there is a cushion for individuals who leave AFDC with less than 6 months of eligibility remaining. In such cases a person could potentially "earn back" 1 month of AFDC eligibility for each 4 months off AFDC/WORK but could never have more than 6 months of eligibility at one time.
- ▶ A person who returns to public assistance without any months of eligibility would be required to register directly for the WORK program.

Fraud and Abuse

QUESTION:

What does the proposal do about welfare fraud?

ANSWER:

- ▶ Our proposal will dramatically reduce the waste, fraud, and misuse in the welfare system. The plan coordinates programs, automates files and monitors recipients. States will have to verify the income, identity, alien status and Social Security numbers of new applicants. Anyone who refuses to follow the rules will face tough new sanctions, and anyone who turns down a job offer will be dropped from the rolls. Cheating the system will be promptly detected and swiftly punished.
- ▶ A national public assistance clearinghouse will use identification numbers to track people wherever and whenever they use welfare, and a "new hire" database will monitor recipients' earnings. This system is essential for a time-limited welfare system. It will also prevent people from collecting benefits in two jurisdictions simultaneously, claiming non-existent children, or escaping their responsibilities by moving. We anticipate that these provisions will lead to \$290 million in savings over the first five years.
- ▶ Our proposal will also prevent or deter much fraud and abuse before it occurs. For instance, people who currently have unreported jobs, but fraudulently receive cash assistance, will be discovered because JOBS and WORK requirements will keep them from their unreported employment. Facing increased likelihood of detection of fraud, others may decide not to come on to the rolls or, once on, to actively pursue self-sufficiency.

Staff Training

QUESTION:

How will state agency staff be trained to assume their new roles as case managers and coordinators of a wide range of services? How will this training be paid for?

ANSWER:

- ▶ The Administration's plan demands greater responsibilities by the welfare office itself. Unfortunately, the current system too often focuses on simply sending out welfare checks. Instead, the welfare office must become a place that is fundamentally about helping people earn paychecks as quickly as possible.
- ▶ As we went around the country we were struck by the diversity of local welfare offices, economies and recipients. We were also struck by how states chose to get services to people. We decided against a one-size-fits all approach for training and retraining workers.
- ▶ As States move to change the "culture" of the welfare office, the Federal government will provide necessary technical assistance. Initially 2 percent of JOBS, WORK, and At-Risk Child Care funds will be reserved for national research, demonstrations, evaluation, and technical assistance efforts.
- ▶ Ultimately training for state and local staff will generally remain the responsibility of the State welfare agency. This jurisdiction is appropriate given the flexibility that States will have in designing their programs. But our plan offers several provisions to help agencies reduce paperwork and focus on results: 1) AFDC and Food Stamp regulations will be conformed and simplified in order to reduce paperwork; 2) Funding incentives and penalties will be directly linked to the performance of states and caseworkers in service provisions, job placement and child support collection.