

Types of Jobs Under Work Program

QUESTION:

What kinds of publicly-supported jobs would people get under the WORK program? Who pays for worker supervision? How much would work participants be paid? Will these be jobs that move people into higher paying and/or higher skilled positions? Will WORK participants be required to do anything besides show up for work? (Continued job search in the private sector, additional training, etc?)

ANSWER:

- ▶ To make the WORK program appropriate to local labor markets, the President's plan encourages state flexibility and community-based initiatives. State governments can design programs to fit local market needs: temporarily placing recipients in subsidized jobs private sector jobs, public sector positions, or with community organizations. States may employ young mothers as child care or home health providers, support self-employment and micro-enterprises, or hire private firms to place participants.
- ▶ Depending on states' arrangements with participating employers, supervision costs could be covered as WORK expenditures. In other cases, employers will pick up the full costs of supervision.
- ▶ 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.
- ▶ 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.
- ▶ Depending on the number of hours in their WORK position, individuals could be required to participate in additional activities such as job search or training. Total hours of expected participation would not exceed 35 hours per week. Individuals would also be expected to participate in job search following completion of any WORK assignment.

High Unemployment Areas

QUESTION:

What happens to those in areas with high unemployment, such as reservations, who cannot find jobs?

ANSWER:

- ▶ Our proposal does not penalize those who "play by the rules." As long as individuals comply with the requirements of the WORK program--including making good faith efforts to look for work and accepting bona fide offers of unsubsidized employment--they and their families will be eligible for benefits even if employment is not currently available.
- ▶ During periods of high state unemployment, the Federal match rate for JOBS, WORK, and At-Risk Child Care will increase by ten percent. The Federal government will assist the states in implementing our plan's changes.

Length of Time in the Work Program

QUESTION:

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?

ANSWER:

- ▶ The President's plan will move people into the workplace as quickly as possible, because WORK assignments will always be less attractive than unsubsidized alternatives. 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. Thus any unsubsidized job will pay much more than a subsidized WORK assignment. Anyone who turns down a private sector job will be removed from the rolls, as will those who repeatedly refuse to make good faith efforts to obtain available jobs.
- ▶ States will be able to evaluate whether recipients who have held subsidized jobs for two or more years have made good faith efforts to obtain available jobs. Following the assessment, an individual could be assigned to another WORK position, or, at State option, removed from the rolls for refusing a job offer or failing to make a good-faith effort to find unsubsidized work. (In rare instances - temporary disability for example - individuals could be placed in deferred status or referred back to the JOBS program.)
- ▶ 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. Parents who generally do everything expected of them will continue to have work opportunities, and their children will not be unfairly penalized for circumstances beyond their parent's control.

Incentives for Employers to Hire WORK Participants

QUESTION:

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?

ANSWER:

- ▶ Our proposal gives welfare recipients the training and education to be valuable employees. Through the WORK program, businesses can "try out" individuals with limited risk -- benefitting both employer and employee. And guaranteed child care will reduce absenteeism, making young parents better employees. There is a one year limit on work subsidies to employers.
- ▶ We expect that employers will shift WORK participants into unsubsidized jobs either because the WORK assignment is ending or in order to prevent losing that employee to another employer. Employers whose experiences with WORK participants are positive may also move participants into regular positions in order to receive additional referrals from the WORK program.

Part-time WORK Assignments

QUESTION:

Will there be allowances in the program for part-time work? Can someone work part-time and collect benefits forever? Does the clock stop for part-time work?

ANSWER:

- ▶ Research shows that people who work part-time are much more likely to leave welfare for work. Thus, we decided that people working at least 20 hours should be encouraged by stopping the clock.
- ▶ For young mothers with very young children, part-time work may be the most realistic starting point.
- ▶ States have the option of setting 30 hours as the minimum work expectation, the same as contained in the House Republican bill.

How Will States Create the Jobs

QUESTION:

How will States be able to generate the necessary WORK slots, given the mixed history of subsidized jobs?

ANSWER:

- ▶ Several provisions will assist States in generating the necessary WORK slots and developing WORK programs appropriate to local labor markets. First, our proposal gives States flexibility in administering the WORK program, offering employer subsidies, and creating WORK slots. States can place administrative responsibilities in the welfare department or another agency. They can temporarily place recipients in subsidized private sector jobs, in public sector positions, or with community organizations. States may also employ young mothers as child care or home health providers, support self-employment and micro-enterprises, or hire private firms to place participants.
- ▶ Local advisory boards will also advise the welfare agency on the WORK program. Our phase-in will make the WORK program a manageable size and give States time to generate employer interest and involvement. Under the CETA program, states were required to create 750,000 jobs in three months. We are giving states 6 years to create 400,000 jobs.

Displacement and Union Concerns About Work Assignments

QUESTION:

Do you anticipate union objections to your public service jobs? Will employers prefer clients subsidized through welfare to paying "full price" to those who are not in the system? How are you assuring that there will be no displacement of private sector workers?

ANSWER:

- ▶ During the development of our proposal, we consulted with a broad range of interested parties, including representatives of public employee unions, to ensure that we got advice and input on all aspects of welfare reform. Further, our proposal ensures that affected and interested parties will continue to have a voice as WORK programs are implemented at the local level.
- ▶ The proposal includes strong anti-displacement provisions that apply to employees in both the private and public sector. It prohibits assignments to positions created by layoff, strikes and lockouts. It also prohibits any assignment that would result in displacement or infringe on the promotional opportunities of any currently employed worker. Further, States must establish a grievance procedure to resolve complaints by regular employees that allege violations of the non-displacement provisions.
- ▶ We do not believe employers will strongly prefer subsidized clients to those who are not subsidized. The wage subsidy and other incentives available to employers through the WORK program are intended to level the playing field by compensating employers for increased training costs, rather than to make WORK participants more attractive than prospective employees not in the program.

Value of WORK Activities

QUESTION:

Why does the plan not create full-scale public service jobs like those created under CETA? How will the WORK program be better than the CETA program, which is often viewed as unsuccessful: Is there any evidence that these jobs are worth the additional expenditure of public dollars?

ANSWER:

- ▶ The Administration's welfare reform is based on two simple principles: work and responsibility. Providing employment opportunities for those who exhaust their transitional assistance is not just a matter of short-term cost-benefit calculations, but is intended to restore the basic values of work and responsibility, provide opportunity, and promote the family. Under the President's plan, welfare reform will be about a paycheck, not a welfare check.
- ▶ While the CETA evaluations are not definitive, the more recent and rigorous evaluations of welfare-to-work programs -- such as GAIN/Riverside -- suggest that work activities and job search can successfully increase welfare recipients' employment and earnings, and reduce welfare dependency. These programs have been cost-effective.
- ▶ Our proposal shows that we have learned from prior experience, including CETA. Unlike CETA, our program will include a mix of public and private sector jobs. They will focus on specific populations, they will be mandatory, and individual assignments will be limited to 12 months.
- ▶ This strategy does not consume a disproportionate share of welfare reform resources. CETA jobs cost approximately \$15,000 per year (\$12,000 in wages and \$3,000 in administrative costs). The creation of 500,000 jobs at those wage rates adjusted for wage inflation would cost approximately \$10 billion dollars per year.
- ▶ In addition, we have instituted procedures to ensure that a WORK slot is not more attractive than a job in the private sector. For example, WORK participants will not be eligible for the EITC.

Fraud in the WORK Program

QUESTION:

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?

ANSWER:

- ▶ We are committed to ensuring the integrity of all aspects of the welfare system, including the WORK program. States are similarly interested in program integrity because they share in the costs of operating these programs. Also, new performance standards will increase the financial incentives for States to operate effective programs and maintain accurate program information. We will also require States to keep records on the performance of individual employers in retaining WORK program participants.
- ▶ We will work with States to establish any necessary controls to ensure the integrity of the WORK program.

Administration of the WORK Program

QUESTION:

Who develops/controls the new WORK programs? What is the federal role? state role? local role?

ANSWER:

- ▶ The WORK program will be administered by a state agency, typically the IV-A agency -- unless the Governor designates another entity. The administering agency will receive federal grants and be held responsible for submitting program and financial reports and meeting appropriate performance standards.
- ▶ States will have wide discretion in spending their WORK program funds and can pursue a range of job creation strategies. States can design programs to fit local labor market needs: temporarily placing recipients in subsidized private sector jobs, in public sector positions, or with community organizations. States may employ young mothers as child care or home health providers, support self-employment and micro-enterprises, or hire private firms to place participants. We require States to coordinate WORK services with local governments and community interests. Local elected officials will help designate or establish WORK planning boards to aid program operation in each area.

Employee Benefits for WORK Participants

QUESTION:

Will WORK participants, both in subsidized private sector jobs and public sector jobs, receive the same benefits as other employees who are not WORK participants?

ANSWER:

A. In general, participants employed under the WORK program will enjoy the same benefits, working conditions, and rights as comparable employees of the same employer.

However:

- 1) the Secretary may establish minimum leave benefits for WORK participants;
- 2) If the employer burden of providing health insurance were too great, WORK participants could remain in the Medicaid system.
- 3) While WORK participants will pay FICA taxes and receive Worker's Compensation, they will not be eligible for the Earned Income Tax Credit, the Targeted Jobs Tax Credit, or Unemployment Compensation. These provisions should encourage movement into jobs outside the WORK program.

Public Vs. Private WORK Assignments

QUESTION:

How will it be determined whether WORK participants are hired by the public or private sector?

ANSWER:

- ▶ To make the WORK program appropriate to local labor markets, the President's plan encourages State flexibility and community-based initiatives. State governments can design programs to fit local needs: temporarily placing recipients in subsidized private sector jobs, in public sector positions, or with community organizations. States may employ young mothers as child care or home health providers, support self-employment and micro-enterprises, or hire private firms to place participants.
- ▶ Our ultimate objective is to move individuals into unsubsidized employment. States will consider this goal -- in addition to local labor market needs -- as they develop their WORK programs.

JOBS/WORK Savings

QUESTION:

Will there be any money saved with the JOBS/WORK program?

ANSWER:

- ▶ The Administration's proposal is based on two basic premises: work and responsibility. Individuals are expected to help themselves become self-sufficient; in exchange the government will provide education, training, work opportunities, and child care to help families achieve and maintain self-sufficiency. Such transitional assistance is not just a matter of short-term cost-benefit calculation, but is intended to restore the basic values of work and responsibility, provide opportunity, and promote the family. The long-term payoff in healthy, productive families cannot be underestimated.
- ▶ The President's proposal does not seek additional revenue to pay for the plan and is fully financed by savings in other areas. However, similar job training programs, such as GAIN/Riverside, have actually saved the government money.

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?**

Note: Bold indicates key questions

Expanded Funding for Child Care

QUESTION:

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?

ANSWER:

- ▶ Our proposal increases child care funding both for AFDC recipients and the working poor. The additional Federal cost of expanded child care services will be \$4.2 billion over 5 years. This provides an additional \$2.7 billion over existing spending for welfare recipients who are in work, education, and training, or who become employed and leave welfare. An additional \$1.5 billion over 5 years will support the At-Risk child care program, which is specifically for non-AFDC working poor.

Child Care Guarantee

QUESTION:

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?

ANSWER:

- ▶ The President's welfare reform plan expands and improves the child care system for both low-income working families and those transitioning off welfare. Welfare recipients in work and training will be guaranteed child care, and those leaving welfare will still receive a year of Transitional Child Care.
- ▶ In addition, the President's proposal almost doubles federal spending on child care for the working poor. We also reduce the state match for the At-Risk program, which serves low-income working families who are at-risk of welfare dependency.
- ▶ Further, the Clinton Administration's FY 95 Budget proposed a 19 percent funding increase for the Child Care and Development Block Grant, which serves low-income families. President Clinton's recent expansion of Head Start provides further support for quality child care. The 1995 budget includes substantial additional funding and encourages the development of full-day, full-year Head Start services to meet the needs of today's families.
- ▶ In addition, the expanded EITC will give working families additional income that can be used for child care.

Child Care Costs

QUESTION:

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 that inequitable? Will people who are not in the phase-in group have access to services such as child care and JOBS? Will there be enough resources for these individuals?

ANSWER:

- ▶ The additional Federal cost of expanded child care services will be \$4.2 billion over 5 years. This provides an additional \$2.7 billion for welfare recipients in work, education, and training, or who become employed and leave welfare. An additional \$1.5 billion over 5 years will support the At-Risk child care program, which is specifically for the non-AFDC working poor.
- ▶ To 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 poor families and help them stay off welfare in the first place. Our plan also improves child care quality and ensures parental choice.
- ▶ By expanding working poor child care, we will make sure that work is always more attractive than welfare. Low-income families will not be "left out" of child care simply because they have tried to make it on their own.
- ▶ JOBS and child care funds will also support services to welfare recipients outside the mandatory phase-in group.

Child Care Program Consolidation

QUESTION:

Why not consolidate all child care programs and make more efficient use of limited dollars?

ANSWER:

- ▶ Because of the different funding mechanisms for child care programs -- two entitlements, one capped entitlement and one discretionary program -- the programs are more difficult to consolidate than they appear to be.
- ▶ To maximize the impact of each dollar, the Clinton Administration has already sought to coordinate and improve child care programs. Recently proposed regulations will remove many of the regulatory differences between the programs so that States can administer them easily and cost-effectively.
- ▶ Our proposal simplifies administration and ensures coverage, standardizing child care program requirements for provider standards, health and safety, parental access, consumer education, parental choice, and parental complaint management. In addition, our proposal gives States the option to administer all the Title IV-A child care programs, and the Child Care and Development Block Grant, through a single State agency.
- ▶ Our proposal makes significant improvements in child care programs but does not overburden States as they simultaneously implement welfare reform.

Child Care and Requirements for Mothers of Young Children

QUESTION:

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 provide child care assistance and the EITC to a single woman working in a minimum wage job? 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?

ANSWER:

- ▶ Our proposal continues the existing guarantee of child care for all AFDC recipients in JOBS and extends it to those in WORK. We also propose to increase the Federal subsidy of child care to the working poor by \$1.5 billion over a period of five years through the At-Risk Child Care program.
- ▶ At all economic levels, women have become a vital and significant sector of the work force. Many mothers of young children participate in the work force out of necessity or voluntarily. Our proposal helps bring the rules and expectations underlying the AFDC program more in line with those applying to the rest of society. It fosters family responsibility and produces tangible and intangible benefits to welfare recipients. These benefits outweigh any temporary cost associated with helping the family avoid long-term dependence on public assistance.
- ▶ Working families, even with low-wage jobs, are part of the mainstream of society and, thus make more life choices than families on public assistance. They are closer to self-sufficiency. They have entry level employment experience that can serve as a stepping stone for career development and increased income. Their children have the benefit of living in a home in which a parent provides a positive role model of work and responsibility.

Child Care for Recipients Who Take Jobs

QUESTION:

What child care services are available for a welfare recipient taking a private sector job?

ANSWER:

- ▶ A welfare recipient who takes a private sector unsubsidized job, but still remains eligible for welfare would be guaranteed child care as long as she is working and still receiving cash assistance.
- ▶ Those who leave welfare will receive a year of Transitional Child Care. After that year, several other Federal programs will offer continued child care assistance. Our proposal significantly expands funding for working poor child care under the At-Risk program. President Clinton's 1995 budget proposes to increase funding for the Child Care and Development Block Grant (CCDBG) by 19 percent. In addition, the Administration's recent expansion of Head Start provides further support for quality child care.

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?**

Note: Bold indicates key questions

Child Support Enforcement Proposals

QUESTION:

How are you proposing to strengthen the child support system? Your savings seem unrealistically high, can you support them?

ANSWER:

- ▶ As the President said, the Administration's plan contains the toughest child support enforcement measures ever proposed. 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 AFDC.
 - **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.** Registries will track support payments automatically and catch parents who try to evade their responsibilities by fleeing across state lines.
- ▶ We do expect significant savings from child support enforcement. Many of the savings estimates are based on the experiences of innovative states that use the methods that we will expand across the country.

Fathers Who Cannot Pay

QUESTION:

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?

ANSWER:

- ▶ State child support guidelines are used to determine the amount of support that fathers pay. All state guidelines consider the father's earnings in setting the amount of the child support award. If a father really cannot find work, the child support obligation will reflect this. In addition, our plan provides for regular awards updating to reflect changes in a non-custodial parent's employment status.
- ▶ If a father really cannot find a job, our plan will help. States can spend up to 10 percent of their JOBS and WORK funding for training, work readiness, and work opportunities for non-custodial parents.
- ▶ In some cases, fathers can work, but simply refuse to take jobs. Under our plan, States can require non-custodial parents to work off the support they owe, if appropriate.

Job Slots for Non-Custodial Fathers

QUESTION:

Will you provide funding for job allotments for unemployed males who are non-custodial parents?

ANSWER:

- ▶ The bill allows states to use up to 10 percent of JOBS and WORK funding to provide training, job readiness, and employment opportunities to unemployed non-custodial parents. Noncustodial parents can qualify for these programs if their children are receiving AFDC benefits or if the custodial parent's wages are paid through the WORK program. States can also augment their non-custodial parent program funds through tie-ins to other federal and state training and employment programs, such as JTPA and HUD's Resident Initiatives Programs.

Why Not Pass Child Support Provisions Separately This Year

QUESTION:

Since there is general agreement about reforming the child support enforcement system, why not go ahead and pass those provisions separately this year?

ANSWER:

- ▶ Our proposal is a holistic plan, designed to enforce parental responsibility for custodial and noncustodial parents alike. The child support enforcement provisions are intrinsically linked to JOBS, time limits and WORK, as well as to the other components of the plan. It is, therefore, critical that the package be enacted as a whole in order to bring about fundamental change in the system.
- ▶ Further, the child support provisions represent bold and sweeping reform to the current system. Congress must take the time to examine the child support piece, in the context of the entire package, through hearings and consultation.

People off Welfare

QUESTION:

How many people would get off welfare if all non-custodial parents paid the support they were supposed to pay?

ANSWER:

- ▶ Approximately 8 percent of the AFDC caseload would be able to move off welfare if they received child support payments.¹ In addition, for a custodial parent in a low wage job, child support could be the crucial factor preventing her from entering the welfare rolls.
- ▶ AFDC costs could be reduced by over 25 percent if child support awards were in place in all cases, and non-custodial parents paid appropriate support. This money would come from the 8 percent reduction in caseload and from the reimbursement the government would get for AFDC benefits paid to custodial parents on welfare.²

¹From TRIM microsimulation analysis done by the Urban Institute.

²Current Population Survey - Child Support Supplement and Survey of Income and Program Participation: unpublished ASPE tabulations; Office of Child Support Enforcement and Office of Family Assistance published reports: Family Disruption and Economic Hardship: Series P-70, No. 23.

How will Adequate Legal Safeguards and Protections be Maintained

QUESTION:

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?

ANSWER:

- ▶ "Due Process" legal safeguards and protections can be provided under administrative processes as well as under judicial processes. Administrative process protects essential rights such as the contestants' right to notice and an opportunity to be heard by an impartial decision-maker. Other protections generally include the right to present evidence and witness testimony, to cross-examine the opponent's witnesses and to rebut adverse evidence. Additionally, contestants may always bring lawyers. Decisions are based on findings of fact and must be in writing. And contestants may always appeal to a court.
- ▶ An administrative process is already a part of the child support system. Administrative hearing officers hear Title IV-D child support cases in about 1/3 of the States today, in part because the Child Support Enforcement Amendments of 1984 require that orders be established and enforced expeditiously. Through waivers, our proposal continues to allow court establishment and modification of support orders if courts are documented to be as effective and efficient as administrative processes.

Three Year Review of State Child Support Registry

QUESTION:

Why are families included in State child support registries reviewed automatically every three years? The proposal calls for expensive upgrading of the system; will the savings really exceed the cost?

ANSWER:

- ▶ Inadequate child support awards are a major factor contributing to the gap between the amount of child support currently collected and the amount that could potentially be collected. This is in part because support orders are not routinely reviewed over time to determine if the parents' financial circumstances and ability to provide support have changed.
- ▶ The proposal builds on the Family Support Act's foundation for review and adjustment by eliminating the need for parents to request a review if they are not receiving public assistance. This will result in a more equitable and routine (and thus less controversial and adversarial) process for all families with support orders. However, the bill also allows for exceptions from automatic review and adjustment of all orders on the State child support registry if adjustment is not in the child's best interest or both parents decline modification in writing.
- ▶ Improvements in automated systems will help diminish the time delays and tracking problems currently associated with review and adjustment efforts. We estimate that the benefits outweigh the cost of this proposal by 2 to 1.

Three Year Timeframe for Review

QUESTION:

Is 3 years the appropriate timeframe in which to review all cases?

ANSWER:

- ▶ The 3-year timeframe exists in current law as a result of the Family Support Act requirements for periodic review and adjustment of certain child support orders. Review can occur more frequently if circumstances change enough to warrant a review sooner.
- ▶ Given experience to date with review and adjustment of orders, reevaluating the adequacy of support order amounts every 3 years appears to be reasonable.

Appropriate to Become Involved in Non-AFDC Cases

QUESTION:

Is it appropriate for the child support system to become involved in non-AFDC cases? Will the outcome warrant the spending necessary?

ANSWER:

- ▶ Routine review and updating of support orders in all cases is a cornerstone of the Administration's proposal to improve the child support system. If we want to move people from welfare to work, we have to be equally concerned about collecting child support for single parents who are not on welfare but are often struggling to make it financially. Recent analyses by the Urban Institute suggest that the potential for child support collections is \$48 billion per year. Yet only \$14 billion is actually paid. Thus, there is a potential collection gap of over \$34 billion. It is estimated that fully 22 percent of the potential collection gap can be traced to awards that were either set very low initially or never adjusted as incomes changed. Routine review and adjustment will ensure that awards keep pace with the earnings of the noncustodial parent.
- ▶ Experience with mandatory income withholding has proven that, when withholding is universally applied, the stigma and controversy attached to it are removed. Our expectation is that a similar outcome would flow from routine review and adjustment.

What will the Burden be on Employers

QUESTION:

How burdensome will the new child support 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?

ANSWER:

- ▶ At least 13 states have passed legislation and implemented procedures requiring employers to report information about new employees for child support enforcement purposes. Several other states have legislation pending. Employers using the W-4 reporting form to submit information are usually given as much flexibility as possible in choice of transmission format to accommodate their needs and limitations. Employers may file via paper, magnetic tape, POS devices, touch tone telephone, and electronic transmissions via personal computer or mainframe computer.
- ▶ In November, 1993, the Office of Child Support Enforcement (OCSE) surveyed nine states about the operations of their new hire reporting systems. Respondents from several states said that after initial resistance from employers about timeframes and the reporting burden, most of them became very supportive, even enthusiastic, about the program once it got underway. In California and Texas, employers who were not required to report started doing so.
- ▶ To further address the issue of minimizing any burden, associations that represent employers, such as the American Society for Payroll Management, are calling for a centralized, standardized single reporting system for new hires. Our proposed National Directory of New Hires answers this need. It offers many filing options for employers, which will further reduce the burden for multi-state employers. This Directory will provide a standardized reporting process for all employers.

Severity of CSE Proposals

QUESTION:

Many parents pay child support regularly and faithfully. Is it necessary to impose such a "big brother" system on all non-custodial parents?

ANSWER:

- ▶ We recognize and applaud the parents who do regularly pay child support. But, we also need a system that ensures that children are getting the support they deserve. We believe features such as automatic review and adjustment of all awards, expanded wage-withholding and payment through a central distribution center are critical elements of such a system. And, the proposal does give the option to opt-out of these features as long as it is at the request of both parents.

License Suspension

QUESTION:

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 counterproductive?

ANSWER:

- ▶ Revocation of drivers licenses and professional licenses of noncustodial parents owing past-due child support is an effective enforcement tool that has recently been implemented by at least 7 states. States adopting this practice are reporting very successful results. In addition, States will have the flexibility to determine the specific procedures to be used to carry out this practice, including working out repayment plans for those who cannot pay the entire debt in one lump sum. Finally, it should be emphasized that holding a license is a privilege, not a right. The state has an interest in seeing that the license holder is law-abiding and that its legal orders for support are honored.

Child Support Enforcement in State Mandates

QUESTION:

Your child support enforcement proposal seems to include many in-state mandates as well; won't this be an additional burden on states?

ANSWER:

- ▶ We have worked hard to minimize these additional requirements on states. However, some in-state mandates are necessary to effect the transition from a judicial child support enforcement system to one that is administrative.
- ▶ We are continuing to work closely with states to eliminate any unnecessary in-state mandates.
- ▶ From a financial perspective, 80 to 90 percent of the net increased cost of these proposals will be federally funded; we do not anticipate a financial burden on states, and think that states will have an overall financial gain from these proposals.

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?**

Note: Bold indicates key questions

Controlling Out-of-Wedlock Births

QUESTION:

What are you doing in this proposal to turn the tide on teen pregnancy and out-of-wedlock births?

ANSWER:

- ▶ 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 for teen pregnancy prevention programs.
 - **Teen Pregnancy Prevention 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.
- ▶ In addition, our plan changes the incentives of welfare to show teenagers that having children is an immense responsibility rather than an easy route to independence. From the very first day, teen parents receiving benefits will have to stay in school and move toward work. Unmarried minor mothers will have 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; selected older welfare mothers will serve as mentors to at-risk school-age parents; and states will be allowed to use monetary incentives to keep teen parents in school.

- ▶ No one should bring a child into the world until both parents are prepared to support and nurture them. We propose the toughest child support measures ever established to hold both parents accountable.
- ▶ Those who have children out of wedlock should not be rewarded with extra benefits. Under current law, two parent families must meet more stringent eligibility rules than single parent families. Our proposal gives States the option to end this differential treatment.

Evidence for Effectiveness of Family Caps

QUESTION:

Why does the Clinton proposal allow states to implement family caps if numerous studies indicate that they are ineffective?

ANSWER:

- ▶ By making the family cap a state option, the Administration is upholding its commitment to allow states to experiment with various welfare strategies. The Administration recognizes that many problems with the welfare system are tied to specific social and economic issues and demand local flexibility. As President Clinton has said, "states are the laboratories for democracy".
- ▶ The Administration believes that very clear and consistent messages can encourage people to defer parenthood until they are emotionally and financially able to support children. Working families do not get a pay raise when they have a child. We need to allow States to use a broad range of incentives and requirements to encourage and reward responsible behavior.
- ▶ Arkansas, Georgia, New Jersey and Wisconsin have recently begun implementing the family cap. At this time it is too early to accurately evaluate the success or failure of these demonstrations.
- ▶ AFDC is a joint Federal State program. States are given virtually complete discretion over benefit levels. Thus Mississippi pays \$120 per month for a family of three, while California pays over \$600 per month for such a family. This plan gives new flexibility in several areas: income disregards, two-parent rules, and family caps. It is hard to justify giving states complete discretion over benefit levels, but no discretion in these other areas.

What Happens to Children Under Family Caps

QUESTION:

What happens to the children born to women subject to the family cap? How does your plan ensure that they are adequately cared for?

ANSWER:

- ▶ If states choose to implement the family cap, a family's grant size will not increase upon the birth of a child conceived while the mother is on welfare. But the additional child will continue to be covered by Medicaid, and will remain eligible for all other programs whose eligibility is based on welfare receipt. Further, we believe that strengthened case management and monitoring of the family's situation will minimize any potential risk to children.
- ▶ Also, States taking this option will be required to allow families to "earn back" the amount of the sanction through disregarded income from earnings or child support. In this way, parents will be given a second chance to act responsibly and provide support for their children.

National Campaign

QUESTION:

What kind of results can be realistically expected from a "national campaign" against teen pregnancy? How long would you expect it to be before we see any results?

ANSWER:

- ▶ Changing the way that young people see themselves and their world will affect their personal decisions. We must help young men and women understand the rewards of staying in school, playing by the rules, and deferring child-bearing until they are married, able to support themselves, and nurture their offspring. A national campaign is critical to this effort, and will mobilize families, schools, communities and churches around helping young people to be responsible and productive.
- ▶ It is difficult, however, to make any predictions about immediate results. Teen pregnancy is an extremely complex problem, with a variety of causes. We know government can't do it all.

Why Not Mandatory Family Cap

QUESTION:

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?

ANSWER:

- ▶ One of the central aspects of welfare reform is State flexibility. While developing our plan, we consulted with State government leaders and welfare workers from all over the country on how to reduce the welfare rolls. They told us that in order to be most effective, they must be able to customize their policies to meet the characteristics of their communities. The message was clear -- cookie cutter policies are inadequate.
- ▶ Many States have requested waivers to limit welfare benefits for additional children. We want these States to be able to implement the most effective set of policies for the people in their State. But we do not want to mandate a policy that may preclude implementation of a program that the State determines to be more effective.

Non-Custodial Fathers

QUESTION:

What are you doing to address the issue of men who father children out-of-wedlock?

ANSWER:

- ▶ Our proposal addresses men who father children out of wedlock in several ways. First, we emphasize prevention. A national campaign against teen pregnancy will bring together local schools, communities, families, and churches. A national clearinghouse will provide communities and schools with teen pregnancy prevention curricula and models. Grants will allow schools to develop on-going prevention programs, and comprehensive demonstrations will seek to change the circumstances in which young people live.
- ▶ In addition, our plan proposes the toughest child support measures ever established to show young fathers that having children is an immense responsibility. New paternity establishment measures, strict enforcement, and national registries will ensure that men who father children out of wedlock face their financial obligations.
- ▶ We are aware that some fathers want to financially support their children, but lack the skills or training to do so. The Administration's proposal provides States with the option of using up to 10 percent of their JOBS/WORK funding to provide training, job-readiness and employment opportunities for non-custodial parents who are unemployed.

Exemptions for Minor Mothers from Having to Live at Home

QUESTION:

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?

ANSWER:

- ▶ No child should live in an abusive situation. This proposal takes several steps to ensure that. The bill requires States to have a comprehensive case management system for custodial teen parents. These specially trained case managers will be responsible for making the determination about whether a minor parent should live at home or with a responsible adult. The law will specify circumstances where a minor would not be required to live with a parent. Abuse in the home is clearly one of these circumstances.
- ▶ In addition to the specific exceptions spelled out in the bill, there is also a general good cause exception that the State defines. All of the exceptions apply only to living with the parent. If an exception is made, the minor would then be placed with another responsible adult, and can only live independently if the State cannot find an appropriate living arrangement.
- ▶ The impact of this proposal will be seen most clearly in future years, as teens grow older. Teenage mothers represent only a small fraction of the AFDC caseload. However, almost half of all single mothers receiving AFDC -- about 42 percent -- were or had been teenage mothers.

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?

Note: Bold indicates key questions

State Flexibility on Two-Parent Families

QUESTION:

By allowing States the option to provide benefits for a larger proportion of two-parent families, aren't we going to increase the welfare rolls?

ANSWER:

- ▶ Current law requires states to provide benefits to two-parent families only if they meet special eligibility rules. Already, many states have sought waivers from these additional rules. Our proposal gives states the option to modify eligibility requirements without applying for a waiver.
- ▶ Allowing states to lift the special eligibility requirements for two-parent families removes perverse incentives and encourages parents to stay together. It also improves equity by treating disadvantaged children the same irrespective of whether they live with one parent or two.

State Flexibility on Earnings Disregards

QUESTION:

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?

ANSWER:

- ▶ The intent of the policy is to give States maximum flexibility in establishing income disregards. Experience indicates that some States would prefer to disregard a percentage of income above the Federal minimum, while others would prefer to disregard a higher flat amount.
- ▶ It is our expectation that at a minimum, States will maintain policies equivalent to current law. Further, based on our discussions with States, we expect that many States will enhance the earned income disregards.
- ▶ In addition, our proposal indexes the Federally-established minimum. This ensures that the value of the disregard will not be eroded over time, thus protecting the income of workers in the future.

Inequity of Policy on Two-Parent Families

QUESTION:

By allowing States the option of treating single parent families differently than dual parent households, aren't we discriminating against intact families?

ANSWER:

- ▶ Our proposal does not discriminate against intact families. Under current law, two parent families must meet more stringent eligibility rules than single parent families. Our proposal gives States the option to end this differential treatment.
- ▶ Our proposal strikes a balance between removing the AFDC marriage penalty, in which single parent families have easier access to benefits than two-parent families, and the desire to give States the maximum flexibility in designing their AFDC programs. Our proposal removes the barriers to ending differential treatment by allowing States to change rules without seeking waivers, and by sharing any potential costs of the change.
- ▶ Further, our proposal requires that all States continue to operate a program serving two-parent families. This will ensure that disadvantaged children continue to be eligible for benefits regardless of whether they live with one-parent or two.

Economic Independence - Individual Development Accounts and Microenterprises

QUESTION:

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 which could help lead to self-sufficiency. What activities under welfare reform are proposed to fulfill this campaign pledge?

ANSWER:

- ▶ The President is fully committed to implementing new approaches to help recipients start down the path to economic independence. There are two specific proposals which the Work and Responsibility Act puts forth: (1) we introduce provisions which would establish Individual Development Accounts (IDAs), and (2) we establish a micro-enterprise demonstration program for recipients of AFDC. We are hopeful States will take full advantage of these opportunities to help recipients.
- ▶ The basic operation of the IDA program would work as follows: a family would be able to save in a tax deferred account up to \$1,000 annually (or 100% of earned income) with a total limit of \$10,000. This money would be excluded from calculating the resource limit. These funds could only be used for post-secondary education or the purchase of a first home. Unqualified withdrawals would be subject to a 10% penalty of the amount withdrawn (deducted by the IRS upon withdrawal).
- ▶ In addition, a demonstration program will test a subsidized IDA program whereby States would match participant contributions by at least 50 cents per dollar to a maximum contribution of \$4 for every 1\$ deposited. The maximum subsidy in all cases would be \$2,500. The subsidized IDA program would operate in a similar manner with the exception that the penalty for unqualified withdrawals would 100% of the subsidy amount and 10% of the participant contribution.
- ▶ Eligibility for the subsidized demonstration would be open to all recipients of AFDC or Food Stamps, and those families not on assistance but whose income did not exceed \$18,000 and whose net worth did not exceed \$20,000 the previous year. Eligibility for the national unsubsidized IDA program would be open to all recipients of AFDC or Food Stamps, and to all families who had previously established an IDA.

- ▶ The Work and Responsibility Act of 1994 also contains provisions for HHS and the Small Business Administration to jointly establish a microenterprise demonstration program which will test the strategy of attaining economic self-sufficiency through self-employment.
- ▶ The microenterprise program would work as follows: HHS and SBA will provide technical assistance, grants, loans, and loan guarantees to intermediaries. The intermediaries would provide supportive services, training, and technical assistance to participants of the program. The participants would learn to develop and would eventually create their own businesses.
- ▶ Eligibility for the program would be for recipients of AFDC or individuals with incomes below 130% of the poverty line. HHS and the SBA would identify promising models of success and would utilize intermediaries based on their record of success. Rigorous evaluation and reporting requirements are specified for the purpose of ensuring that this demonstration program yields useful information for the future implementation and design of microenterprise programs.
- ▶ Both the IDA program and microenterprise program enjoy widespread bi-partisan support as a potential avenue towards self-sufficiency. This administration is committed to testing these innovative approaches.

Bruck/Kelley

FEB 1 REC'D

THE PRESIDENT HAS SEEN ^{2/1/94}

SIDE-BY-SIDE COMPARISON
OF
NGA WELFARE REFORM POLICY,
APWA PROPOSAL AND
HOUSE AND SENATE REPUBLICAN PROPOSALS

prepared by National Governors' Association
January 1994

Chen
worth reviewing
carefully before
submitting to the
President

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
Time Limits	time-limited cash assistance program with activities to make transition from welfare to work; work can begin before maximum time exhausted; state flexibility in extending assistance as needed for a limited period on a case-by-case basis	AFDC as temporary source of support and supplement to family resources. Following up to two years of education and training, recipients required to work in private sector or in community work experience. Within 90 days of eligibility determination, recipients required to participate in mandatory job search in combination with JOBS preparation or up to two years of JOBS career-focused education and training and/or JOBS mandatory work phase, using CWEP as last resort for those who complete education and training and are unable to locate unsubsidized work.	at time of enrollment, families referred to AFDC transition program to work or prepare for work. For job ready families, can begin after 1 year. States establish participation guidelines within defined framework. Sets schedule of sanctions, beginning with 25% reduction in AFDC and food stamps until a parent complies and at least 3 months have elapsed up to being dropped from AFDC for 3rd offense. If dropped, family retains eligibility for other programs. Provides exemptions for incapacitation, birth of children, return of children from out-of-home placement and care for disabled dependent.	Applicants to participate in job search while application being processed, and must be reimbursed for transportation and child care expenses. Families referred to Transition to Work Program, and if defined as job ready, can begin work after 1 year. At end of first year, assessment made to determine whether recipient has made "clear and substantial progress", as defined by state, toward preparing for work. Sets schedule of sanctions, beginning with adults losing AFDC benefits for 3 months up to parent being dropped after third offense, and payments for children made through rep payee system. Provides exemptions for incapacitated, those enrolled in drug and alcohol abuse programs, birth of children, return of children from out-of-home placement and care for disabled dependent.	The APWA proposal is quite detailed in the JOBS preparation and education and training program it recommends: The program to include an employability plan, a JOBS preparation phase for those who have severe or multiple barriers to employment, JOBS career-focused education and training, transitional support services, and an uncapped federal entitlement to provide sufficient funding for JOBS. For those not complying with requirements, it proposes a penalty of reduction of 25% of combined AFDC and food stamp grants. The House Republican proposal sets participation standards for the Transition Program and the Work program, beginning in 1996 with 30% for applicants and increasing to 90 percent for applicants and recipients in 2002.
social contract	benefits based on contract defining responsibilities and obligations of both recipient and government	on application, all households must enter into agreement with agency signaling mutual obligations. Failure to enter into the contract results in loss of eligibility.	Written plan developed between recipients and agency describing what each must do so parent can prepare for work; must include statement that after two years (or less at state option), parents who have not secured paid employment must work in exchange for benefits.	written plan developed between recipients and welfare agency describing what each must do so parent can prepare for work; must include statement that after two years (or less at state option) parents who have not secured paid employment must work in exchange for benefits.	

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
job development	private sector first choice of employer. Incentives to hire should be enhanced. public agencies should employ those in transition as jobs are developed	New Job development/job creation strategy targeting 75 % of employment opportunities at JOBS graduates, 25% for working poor. Expansion of work supplementation, Target Jobs Tax Credit, and other exiting private sector initiatives. Implementation of National Service Act as employment and education option for AFDC recipients.			

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
work and community service	preferred means is private, unsubsidized work in business or nonprofit sector. community service work developed and managed through existing infrastructure, with recipients placed in jobs that attend to the public good. State and local governments should have flexibility to use funds for community service to provide short-term subsidies to ensure transition of people into private sector employment.	Placement in unsubsidized private and public sector jobs is highest priority. Need for expansion of subsidized employment opportunities. Placement in Community Work Experience for those not working in other employment. Work at least 20 hours/week is considered to be meeting work requirement. Welfare agency to monitor participation in mandatory work; CWEP placement and supervision, job development and placement and payment of work-related expenses responsibility of DOL employment and training system, through employment service and JTPA. Phase-in of implementation of new program, beginning with new applicants no later than two years after enactment of legislation and issuance of final regulations. States have option to implement sooner, with full FFP.	If parents have not found job after two years, must participate in work program established by state, such as CWEP or Work Supplementation which will be revised to create financial incentives to state to use program. Or state can create new work program. After 3 years of participation in work program, and 5 years on AFDC, state can opt to drop recipients from AFDC rolls; would continue to be eligible for other benefits. In two-parent families, one must work 32 hours a week and engage in job search 8 hours a week. States can opt to limit AFDC two-parent family participation. Fathers of children on AFDC must either pay child support or participate in work program.	If parents have not found job after two years, given a voucher equivalent to combined value of AFDC and food stamps. Voucher may be given to employer to serve as wage replacement. To hire, employer must certify that individual being hired at twice value of voucher. Employer eligible to receive payment for one year, after which reduced by one-half. At end of two years, recipients given three months to seek employment with voucher. If unable to find employment, must participate in state work program. Rewrites CWEP requirements and reforms Work Supplementation program. After 3 years of participation, states have option of dropping recipients from AFDC rolls. In two parent families, one required to work 32 hours/week and engage in job search 8 hours/week. Non custodial parents of children on AFDC must either pay child support or participate in work program. States can design program, but must include three mandated elements.	

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
child care	Regulatory barriers should be lifted and states allowed discretion to coordinate and combine child care assistance programs. Dependent Care Tax Credit made refundable, transitional child care expanded up to two years, expansion of family day care, Head Start and year-round schools.	state option to provide an additional 12 months, with full FFP. current law to be amended to allow states to use transitional child care and at-risk child care for those in training. Expand child care options for low-income families, especially those leaving welfare for work make the Child Care and Dependent Care Tax fully refundable; increase flexibility and funding of current system.			The APWA proposal has specific recommendations about changes in regulations for Title IV-A Child care, and the Child Care and Development Block Grant to provide greater flexibility to states in determining eligible services and costs.
program coordination	Education, housing, health and human services, labor and agriculture agencies should remove barriers and standardize language, programs and requirements. States and localities given greater flexibility in use of existing programs.	Enact APWA's 57 recommendations for coordination and simplification. Simplify application process, estimating earned income reporting, income and deductions, recertification and redetermination processes, resource and asset limits, such as the value of a car. HHS and USDA to simplify and coordinate employment and training programs.			

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
child support enforcement	More effective system critical component of welfare reform. Custodial and non custodial parents must accept primary responsibility for support of their children. Federal action urged to: improve federal collection tools; provide performance based incentives for state and local implementation, including in areas of paternity establishment, national child support standards, improvement of collections, timeliness of interstate collections; expand data collection and research, and review management information systems for development of recommendations for interfaces between and among federal and state systems. Federal legislation should be enacted to adopt uniform interstate child support enforcement procedures; federal government should authorize and fund child support assurance demonstrations; federal government should examine services for non custodial parents designed to improve earning capacity, and should consider eliminating disincentives to marriage.	More effective system critical part of reform. Custodial and non custodial parents must accept primary responsibility for support of their children. Improve paternity establishment by setting up hospital-based voluntary acknowledgment processes; improve enforcement and collection through uniform guidelines, enforcement of health care coverage, increased and more effective interstate enforcement, and more rapid W-4 reporting. Provide adequate child support enforcement resources for staffing and staff training. Reform the audit process to measure performance outcome instead of current more than 130 process-oriented criteria. Establish federally funded child support assurance demonstration projects in a limited number of states.	Establishes a nationwide system for reporting and tracking newly hired workers, including immediate wage withholding based on W-4 forms; updated state registries, and expansion of Federal Parent Locator Service. Includes streamlined wage withholding by establishing uniform notices. States to establish hospital based programs to encourage voluntary paternity establishment at time of birth. If paternity not established at time of application, mother must provide name of father. Sets up procedure for naming of potential fathers, limits on benefits based on incorrect establishment of paternity. States to require that unwed pregnant women be told that benefits will not be received unless father is identified. States required to follow procedures specified unless pass law exempting selves. Paternity establishment requirement increased to 90 percent. Sets formula for annual increases in paternity establishment rate.	Establishes new paternity establishment system as part of application process. Once paternity legally established, family eligible for full AFDC benefits. Sets up procedure for naming of potential fathers, including limits based on incorrect establishment, procedures for pregnant women applying for Medicaid to be notified about AFDC paternity establishment requirements. States required to follow procedures, unless pass law specifically exempting selves. Sets increase to 90 per cent state paternity establishment requirement established in OBRA '93, with specified state increase levels depending on current percentage.	

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
transition	pending adoption of new program, federal government should increase federal funding for JOBS, and allow states to negotiate performance targets, as well as modify state matching requirements; allow states additional flexibility in design of cash assistance programs through modification of state plans rather than waivers, including changes in 100-hour rule and JOBS 20-hour rule, allowing cash-out of food stamps, increasing asset limits, expanding earned income disregards; and allowing various evaluation methods to be used in lieu of control groups.	give states additional flexibility to modify state plans for increase of asset limits, cashing out food stamps, disregarding income of step parents, eliminating 100-hour rule and JOBS 20-hour rule. Give states option to increase earned income deduction or use other methods to reduce ratable reduction in AFDC.			Similar provisions can be found in House Republican proposal under section called additional options for states, and in Senate proposal under additional statutory flexibility for states.
financing	full federal funding of any mandates and should not result in cost-shifts or new costs to states and localities.	Immediate increase in federal funds for JOBS, including decreasing state matching requirements, simplifying the match, and increasing the entitlement.	annual outlay growth for AFDC, SSI, public housing and Section 8 housing, food stamps and EITC capped at 2% plus inflation. Five days after end of Congressional session, OMB calculates both estimated outlay figure as well as increased cap; 15 days after end of session, each of capped programs reduced by sequestration, by uniform percentage required to achieve spending cap		
EITC	expanded so that, family of four, with full-time worker, over time, with food stamps should be brought to poverty line. Administration simplified, worker choice on frequency of payment preserved.	increase outreach to both recipients and employers regarding EITC			

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
restrictions for aliens			all benefits other than emergency Medicaid are eliminated except for refugees and certain permanent residents; state AFDC agencies must provide identifying information to INS for all illegal immigrant parents with citizen children; non citizens affected by provisions are exempt for one year – must be notified of provisions.	all benefits other than emergency Medicaid are eliminated for non-citizens, except for refugees and permanent resident aliens. State AFDC agencies must provide information to INS for all illegal immigrant parents with citizen children. Non citizens are exempt from provisions for 1 year following passage of bill – must be notified of provisions.	
block grant to states for nutrition assistance			10 food and nutrition programs including food stamps and WIC are consolidated into a single discretionary block grant for five year authorization period. Spending capped, first year's ceiling 95% of spending of individual programs - subsequent years adjusted for population growth and food price inflation; apportioned among states according to poverty population in state; states restricted to 5% for administration : 12% of allocation must be used for WIC and 20% on nutrition programs in child care and public school facilities.		
miscellaneous provisions, including drug addiction, evaluation, demonstrations, required immunizations			AFDC applicants and recipients must participate in addiction treatment; non participation results in expulsion from AFDC for 2 years. Social Security to identify all SSI addicts and test	Persons who pled guilty by reason of insanity not legible for SSI benefits for hat mental condition. AFDC applicants and recipients determined to be addicted must participate in addiction treatment. Failure	Both House and Senate bills contain a number of the same or similar provisions, which can be found in either this section or the next.

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
miscellaneous provisions, including drug addiction, evaluation, demonstrations, required immunizations (continued)			periodically on a random basis; use of illegal drugs or refusal to be tested results in permanent SSI benefit termination. HHS required to fund research on impact of education and training on exit from AFDC. HHS authorized to conduct demonstrations on whether use of EBT and ATM will reduce administrative costs and fraud and report to Congress within 5 years. HHS required to appoint a commission to determine costs and feasibility of creating interstate system of social security numbers of recipients to ensure no one is participating in welfare programs in more than one state. Families with children under 6 must present verification from physician that children are receiving regular pediatric checkups and required immunizations. States to conduct education and outreach activities and to advertise availability of free or reduced price immunizations.	to participate will result in expulsion from AFDC for two years. States may not remove addicts from rolls if failure to participate based on lack of availability of treatment. States authorized to use random drug tests with recipients who have participated in rehab; refusal to participate in test results in termination of adult's cash AFDC benefit. Food stamp eligibility – must be receiving AFDC, UI, SSI, DI, workers comp, pregnant women near term, participating in food stamp work program, or able to show proof of incapacitation or employment. If adult is disqualified, children continue to qualify, but household allotment reduced by one person. HHS required to fund research that examines impacts of education and training program on exit from AFDC following participants for at least five years. HHS authorized to fund demonstrations on whether use of EBT or ATM will reduce administrative costs and fraud; must write report within 5 years summarizing results of studies and making	

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
Additional options for states			Can convert AFDC to block grant, capped at amount of 1992 IV-A reimbursement, plus one-time inflation adjustment of 3 % as fixed annual cash payment. If elect option, must report annually to HHS that all block grant funds used for poor and low-income families. States may refuse to provide AFDC benefits if mother or father of dependent child is under 18: can only be exempted from provision if state law is passed. For one year, states can opt to provide new residents same level of AFDC benefits as provided by state from which they moved. States can set up programs of sanctions for poor school attendance without good cause of up to \$75 per child per month. Family cap in place unless state exempts itself by passing state law. States permitted to make earned income disregards more generous, but not to exceed first \$200 of family earnings and 1/2 of remainder. States can disregard up to \$10,000 in assets for up to two years if associated with micro enterprise.	recommendations . Sets standards and restrictions for future EBT programs. HHS required to appoint commission of cabinet officials, experts and state administrators to determine cost and feasibility of creating interstate system of social security numbers to assure no one participating in welfare program in more than one state.provisions subject to either opt-in or opt out: for opt out provisions, state must include provision unless pass specific law exempting self. Allows states to increase total monthly benefit for 6 months by complying with immunization, EPSDT screening, or other health requirements. Families could be sanctioned until requirements are met. OPT-OUT provision. Rewards and sanctions for school attendance -monthly benefit can be increased for school attendance. Families with less than requirement without good cause are subject to monthly sanction. Family cap option for children born ten months after application for AFDC. States can allow exceptions for families remaining off AFDC for 12 consecutive .	

Side-by-Side Comparison of Welfare Reform Proposals, January 1994

	NGA Policy	APWA Proposal	House Republicans	Senate Republicans: Brown/Dole proposal	Comments
Additional options for states (continued)			States have option of requiring AFDC parents to participate in parenting classes and classes on money management during transition program.	months, and/or families leaving AFDC for earnings if employment terminated for good cause. States can allow recipients who marry someone not father of child to keep up to 1/2 of current benefit for up to one year as long as combined family income below 150% of poverty level. States have option for up to 1 year of providing new residents of state with same level of AFDC benefit as state from which recipients moved States have option of requiring AFDC parents to participate in money management and parenting programs during Transition program. States have option of increasing the asset limit for minors who have earned income and accrued savings to be used for education expenses	
Expedited State Waiver Authority			Sets up Interagency Waiver Board to ensure waiver requests meet certain goals, and requires Board to respond within specified time limits.	Office of Waiver Coordination set up in HHS to consider waivers submitted under Titles I, X, XIV, XIX or Parts A or D of Title IV. Standardized 5-year waiver process form to be developed. Specific timetable for response to waiver requests.	

THE PRESIDENT HAS SEEN 2/1/94

Preliminary Findings
The National Governors' Association
Survey of State Welfare Reforms
February 1994

Summary

Rising child poverty, the increasing proportion of births that are to single-parent families, and growing welfare caseloads have combined to make welfare reform one of the nation's top public policy concerns. President Clinton's campaign pledge to "end welfare as we know it" has revived the welfare reform debate at the national level while in the states many Governors are pursuing their own ideas on how to restructure the welfare system. Much of the recent media coverage of this issue has focused on the most controversial aspects of federal and state welfare reform initiatives, such as limiting the amount of time families may receive welfare, withholding grant increases for children conceived after a family has enrolled in welfare, or cutting benefits to families on welfare whose children have poor school attendance.

Yet the attention paid to these controversial initiatives has obscured a striking consensus among states on the changes needed to encourage work and reduce reliance on welfare. A survey of Governors' offices conducted by NGA has found that the bulk of proposed or enacted state welfare reforms are concentrated in six areas. Preliminary data reveals that more than 20 states have proposed or are implementing changes in these areas:

- encourage and reward work by reducing penalties in the welfare system on earnings and savings;
- enforce the responsibility of both parents to financially support their children;
- supporting intact families by eliminating certain welfare rules that penalize two-parent families;
- simplifying and improving the delivery of welfare benefits, especially through the use of "smart cards"¹ to provide benefits electronically;
- creating jobs for welfare recipients; and,
- improving access to child care and health care for families leaving welfare for work..

In addition, a number of states are considering proposals that would require work from all recipients after a certain number of months of receiving AFDC. Only one of these states, however, is planning to place an absolute limit, without a guaranteed job at the end, on the period of time that a family can receive welfare. Detailed findings from the survey are described in the attached appendix. The following is an overview of some of the key findings.

¹"Smart cards" are cards that store information electronically, such as automatic teller machine cards.

Background

The Aid to Families with Dependent Children (AFDC) program was initially created in 1935 by the Social Security Act as a cash grant program to aid needy children without fathers. Today, the program provides cash assistance for needy children who have been deprived of parental support or care because their father or mother is absent from the home, incapacitated, deceased, or unemployed. All states, the District of Columbia, and four of the five territories operate an AFDC program.

The AFDC program is voluntary. States have the flexibility to establish their own need standard (i.e., the amount of income the state decides is essential for basic needs such as food, clothing, shelter, utilities, and personal care), set their own benefit levels (i.e., payment levels that represent 100 percent or less than the need standard), establish income and resource limits (based on federal guidelines), and administer the program or supervise its administration. Funding is provided through a federal-state partnership, with federal resources covering from 50 to 80 percent of the cost of benefits and 50 percent of the cost of administration.

Eligibility for AFDC requires that a family meet two income criteria: a gross income test (defined as 185 percent of the state's need standard), and a net or countable income test (defined as 100 percent of the

standard). To receive benefits, a family's net income also must be below the state's payment level. The payment level is below the need standard in thirty states.

Federal law requires that all income received by an AFDC family be counted against the AFDC grant unless explicitly excluded by definition or deduction. To provide a financial incentive for recipients to seek and maintain employment, current deductions for earned income include \$90 per month to cover work expenses plus \$30 and one-third of the remainder (of earnings), and up to \$175 per month per child (or up to \$200 per month for a child below age two) for child care expenses. The \$30 deduction expires after the first twelve months. The deduction of one-third of the remainder is available only for the initial four months following employment.

Under the current AFDC program, two-parent families fare much worse than single-parent families. To be eligible for assistance, single-parent families must only show that they are poor enough and that the other parent is not in the home. Two-parent families, in contrast, must show that one parent is either incapacitated or is unemployed and meets the various work history rules. Federal regulations require that an AFDC parent must work fewer than 100 hours per month to be classified as unemployed. In addition, the principal earner must have six or more quarters of work in

any thirteen-calendar-quarter period ending within one year prior to application for assistance or have received or been eligible to receive unemployment compensation within one year prior to application. The impact of these requirements is that many families are not eligible, especially young families with little or no work history.

AFDC Caseloads. By 1991 enrollment in AFDC had grown to more than 4.3 million families. These 4.3 million cases represent approximately 4.95 percent of the U.S. population and include an estimated 8.3 million children (12.9 percent of the total child population). Caseloads are expected to gradually increase to about 4.8 million in 1997. The percentage of children receiving assistance is expected to rise to slightly more than 13 percent in 1993. These children represent about 60 percent of all children in poverty.

AFDC Characteristics. AFDC families are not a homogenous group. They represent all races, ages, and levels of education. In 1990 about 38 percent of all AFDC families were white and more than 39 percent were African-American. The average family size was 2.9, with about 42 percent of all AFDC families having only one child. About 24.3 percent of children in AFDC families are younger than three, 21.5 percent range in age from three to five, and 27.5 percent range in age from six to eleven. Eligibility for 54 percent of AFDC families is based on

marriage ties (i.e., children born out of wedlock). In 16.5 percent of all AFDC families, the mother has one to three years of high school and in 19.3 percent of the cases, the mother has a high school degree. More than 80 percent of all AFDC families have no other source of income.

The median number of months on AFDC since initial application is twenty-three. More than 21 percent of all AFDC families have received assistance for longer than five years. Marital status is the most powerful predictor of long-term welfare receipt, with single mothers averaging nine years on AFDC. In addition, it is estimated that more than 40 percent of never-married mothers who enter the AFDC system at age twenty-five or below with a child younger than three years of age will spend ten years or more on AFDC.

The Family Support Act. The Family Support Act (FSA) was approved in October 1988, amending Title IV of the Social Security Act. The goal of FSA is to shift welfare from a program that fosters dependency to one that encourages work. It is based on the premise that there is a mutual obligation between government and its citizens (i.e., government has a responsibility to provide sufficient tools and opportunities for work, while recipients have an obligation to use those tools and seek employment). FSA provides support to individuals and families in four major areas.

- **Employment Assistance.** The Job Opportunities and Basic Skills Training program (JOBS) provides a variety of services to promote self-sufficiency, including education, job training, job placement, and child care. States are given broad flexibility regarding program design and administration. In fiscal 1993, the authorized appropriation for JOBS is \$1 billion.
- **Child Support Enforcement.** FSA strengthens states' ability to establish paternity and to improve the collection of child support payments through computerized tracking and wage withholding systems.
- **Child Care.** FSA guarantees child care for all JOBS participants, as well as AFDC recipients who are in other approved training, education, or employment programs.
- **Transitional Services.** Individuals who leave public assistance are eligible for twelve months of child care and medical services (Medicaid), as long as their incomes are low enough to meet program requirements.

The purpose of JOBS is to ensure that needy families with children are able to obtain the education, training, and employment necessary to help them avoid long-term dependency on welfare. States have great flexibility in the services they can offer and in the methods they can use to deliver services. JOBS participation standards are established

through fiscal 1995 for the AFDC caseload. States that fail to meet the standards face a reduction of federal matching funds. In addition, states must target resources to certain populations or face reduced funding.

President Clinton and Welfare Reform. In February 1993, President Clinton invited states to join him in developing a plan to "end welfare as we know it." The President described his plan as focusing on four areas: making work pay, increasing parental responsibility, making welfare a transitional program, and increasing employment and training opportunities for recipients. The National Governors' Association established the State and Local Task Force on Welfare Reform which met through the spring and summer of 1993 and issued in July a joint statement of principles to guide welfare reform. Among these principles are that welfare should be a transitional program, with work, education and job training available during the transition; that stronger child support enforcement is needed especially with regard to interstate enforcement; that states should have maximum flexibility in the transition to a new system; and that any new federal mandates must be fully funded.

In August 1993 incoming NGA Chairman Carroll Campbell established a Leadership Team on Welfare Reform to work with the administration and Congress on welfare reform as the President's initiative moved

forward. The Leadership Team is chaired by Governor John Engler of Michigan and Governor Thomas Carper of Delaware. Its members include Governor Carroll Campbell, Governor Howard Dean, Governor Pete Wilson, Governor David Walters, Governor George Allen, Governor Evan Bayh, Governor Mario Cuomo, Governor Zell Miller, Governor William Weld and Governor Edward Schafer.

Waiver Authority and State Welfare Reforms. Ten states -- Colorado, Florida, Georgia, Illinois, Iowa, Oklahoma, Vermont, Virginia, Wisconsin, and Wyoming -- have received new waivers in the last year to restructure their welfare systems. These new waivers are in addition to existing waivers in some of those same states and in Alabama, California, Maryland, Michigan, Minnesota, Missouri, New Jersey, New York, Oregon, and Utah. Section 1115 of the Social Security Act authorizes the secretary of the Department of Health and Human Services (HHS) to waive compliance with specified requirements of the statute that are judged likely -- based on experimental, pilot, or demonstration projects -- to promote the objectives of the AFDC, child support, or Medicaid programs. Demonstrations under waiver authority must be cost-neutral to the federal government and the participating state must agree to a rigorous evaluation of its demonstration project, usually based on an experimental evaluation design.

Federal waivers should not necessarily be equated with reform. They do, however, allow states to experiment with a variety of approaches to improve the welfare system. In addition, a number of states are pursuing welfare reform initiatives that do not require waivers of federal rules or laws.

NGA Survey Results

Forty-four Governors' offices provided information to NGA in December 1993 and January 1994, on welfare reforms in their states.² Forty-three reported state welfare reform initiatives, beyond those required under the federal reform law, in at least one of twelve categories listed on the survey.³ An overview of some of the key findings is provided here; more detailed information on their reform initiatives is summarized by type of reform in the appendix charts. The survey asked states to describe welfare initiatives in twelve different categories and to give the status of the initiative. In some cases, states

²All of the data is preliminary and subject to revision. The states that did not respond to the survey are the District of Columbia, Idaho, Mississippi, Pennsylvania, Rhode Island, Washington, and West Virginia. Puerto Rico is treated as a state for the purposes of the survey.

³Hawaii did not report having reforms in any of the categories listed on the survey, though the state has adopted a number of policies in the welfare reform arena. Hawaii's comprehensive health care reform plan is mentioned in the immunizations and care chart; it is expected to benefit welfare families requiring AFDC for employment.

are in the early stages of developing a reform, as with many of the new policy changes announced by Governors in their 1994 state of the state addresses. In other cases, states are already implementing the changes.

Changes in the Treatment of Earnings or Assets

Thirty-six of the states responding have proposed or are implementing changes to allow AFDC families who go to work to keep and to save more of the income they earn. As described earlier, after a short time current AFDC rules reduce a family's AFDC grant by a dollar for every dollar that family earns. In addition, families receiving welfare cannot accumulate assets over \$1,000 and cannot own a vehicle whose equity value exceeds \$1,500.

Most of the thirty-six states pursuing reforms in this area are increasing the amount of earnings a family can have without it reducing their AFDC grant, extending the period of time that this earnings disregard is available, increasing the limit on allowable assets, and raising or eliminating the limit on the equity value of the vehicle that a family on welfare can own. Twelve of these states -- Alabama, Alaska, California, Illinois, Iowa, Michigan, New Jersey, North Carolina, Ohio, Utah, Virginia, and Wyoming -- have already implemented these changes while many of the others are in the planning and development states. Several of these states,

such as Vermont and Minnesota, will begin implementation within the next six months.

Improvements in Child Support Enforcement and Paternity Establishment

As part of the Family Support Act, every state has been implementing important changes in this area over the last five years, such as immediate wage withholding of overdue child support payments. Twenty-nine states reported taking steps beyond those required under federal law to increase the collection of child support from noncustodial parents and to establish the paternity of children in families receiving welfare. These steps include allowing families on AFDC to keep more of the child support collected on their behalf without it reducing their AFDC benefits, and revoking or suspending the professional or occupational licenses of noncustodial parents who are in arrears on their child support obligations. Some states are increasing employment and training opportunities for noncustodial parents to help them find jobs that better enable them to support their children. Three states -- Maryland, Missouri, and South Carolina -- plan to seek waivers to make paternity establishment a condition of receiving assistance.

Ten states have implemented changes in this area: Alabama, Florida, Georgia, Illinois,

Minnesota, New Hampshire, Ohio, Texas, Utah and Wisconsin.

Changes to Support Intact Families

As noted above, the current welfare system penalizes two-parent families in a number of ways. Twenty-six states have proposed or have reforms underway to reduce these penalties. States most commonly focused their reform efforts on changing four of these disincentives to intact families: the *100-hour rule*, the *deprivation* requirement, the *work history* test, and *stepparent deeming* rules. Under the *deprivation* requirement, a family is only eligible for AFDC if the children have been deprived of parental support or care because their father or mother is absent from the home continuously, is incapacitated, is deceased, or is unemployed. Under the *work history* requirement, a family with both parents living in the household must show that the principal earner has 1) six or more quarters of work in any thirteen calendar quarter period ending within one year prior to application for assistance, or 2) have received or been eligible to receive unemployment compensation within one year prior to application for assistance. The *100-hour rule* prohibits two-parent families from receiving AFDC if either of the parents works more than 100 hours of month, even if the family earns so little that their income would still qualify them for assistance. In addition, the AFDC program counts a portion of a stepparent's income available to the

rest of the AFDC family when determining eligibility and benefit amounts. In addition, *all* of a stepparent's income is counted for purposes of AFDC eligibility and benefits in seven states where state law requires stepparents to assume the same legal responsibility as a natural or adoptive parent.

Seven states reported implementing reforms - Alabama, California, Illinois, Iowa, Michigan, New Jersey, and Wisconsin -- with many of the remaining nineteen in advanced stages of applying for federal permission for similar changes. Typically states are eliminating the 100-hour rule, the work history test, the deprivation requirement, and reducing the amount of stepparent income that is counted as available to the family.

Electronic Benefit Transfer

More than half of the states -- twenty-seven in the NGA survey -- are exploring ways to reinvent the delivery of public benefits through the use of "smart cards." These cards, which use the same technology as automatic teller machine (ATM) cards, can be used instead of issuing paper AFDC checks and Food Stamp coupons by crediting the client's account with the cash value of those benefits. The card can then be used by clients at ATM machines or in grocery stores. Many states are in the process of obtaining federal permission to experiment with this technology, while four states -- Iowa,

Maryland, Minnesota and Ohio -- already have been operating pilot projects to test it. In 1994 Maryland will become the first state in the nation to deliver a comprehensive set of public assistance benefits electronically statewide.

Job Creation

Twenty-five states reported they have proposed or implemented policies to create jobs for AFDC recipients. Seven of these states -- California, Illinois, Iowa, Michigan, Minnesota, New Jersey and Utah -- are implementing these job creation strategies. These reforms include diverting AFDC grants to subsidize wages in California, combining AFDC and Food Stamps to create subsidized jobs in Oregon, employing and training recipients to rehabilitate public housing in Illinois, and training AFDC recipients to create their own small businesses in Iowa, Minnesota, and South Carolina.

Transitional Child Care and Medicaid

Twenty-three states have taken or are considering steps to reduce the barriers facing families that leave AFDC for work by improving access to health care and child care. The most popular initiatives in this area are extending Transitional Medicaid and Transitional Child Care -- currently available for one year to families leaving AFDC for work -- for longer periods of time. Some

states are removing any time limit on these transitional services, and instead are putting in place sliding fee scales to ensure a more gradual transition for families that rely on them. Seven states have implemented proposals in this area: Georgia, Illinois, Iowa, New Jersey, Tennessee, Utah, and Virginia. Two states, Hawaii and Tennessee, are undertaking comprehensive reforms of their health care system that will generally improve health care coverage for low-income families, including those that leave AFDC for employment.

Finally, twenty-one states are considering proposals loosely connected by the idea that there should be some specific timetable that requires work by AFDC recipients after a certain transition period of assistance. These proposals vary greatly, however, ranging from a strict time limit on benefits with no guarantee of employment at the end in the Wisconsin pilot, to a time limit followed by public sector employment or community service in Vermont, to individually tailored "social contracts" in Iowa, with the contract's timetable for leaving welfare adjustable based on each family's circumstances. Most of these initiatives are in the early stages of planning and development. Only two states, Iowa and Michigan, are currently implementing programs based on this concept. In July, Vermont expects to become the first state to implement statewide a program similar to what President Clinton has outlined, with a 30-month time limit on

AFDC benefits, followed by paid public service jobs or community service work in exchange for benefits.

Earnings or Asset Changes (e.g. increases or extensions of the AFDC earned income disregards, or changes in AFDC asset limits)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Alabama		7/90		8/88	10/89	3 counties (about 10 % of cases)	Gundrun Hanson 205-242-1950	Increased asset limit to Food Stamp level and changed current earned income disregard to 20 % in 3 county demonstration project.
Alaska		Summer 1993		4/93	5/93	AFDC teen parents	Jan Hansen 907-465-3347	Exempted income earned by teens in JTPA Summer Youth Employment program in determining AFDC benefits and calculating asset limits.
Arizona	under considera- tion						Mary Leader 602-542-1316	Expand or extend income disregards and exclude trust fund established for education, buying a home, or starting a business from income and asset limits.
California		12/92	9/92	9/92	10/92		Mike Genest 916-657-3546	Removed time limit on current "\$30 and 1/3" earned income disregards for recipients.
			7/93	9/93	pending		same	Increase property limits; higher exemption for an auto; allow recipients savings accounts for certain restricted uses.
Colorado	1/93		5/93	6/93	1/94	10 %	Don Bishop 303-866-3103	Replace all current earnings disregards in Food Stamps and AFDC with a disregard of first \$120 and 58 % of remaining earnings up to a family income level of 130 % of the federal poverty line. Increase asset limit to \$5,000 for employed recipients and \$2,000 for others. Exempt one vehicle.
Connecticut	1/93		yes	12/93		95 %	Mark Schwartz 203-566-7086	Increase asset limit to \$3,000, simplify the earnings disregards, and remove time limits on earnings disregard.
Delaware	1/94	target date 5/95				All earners and households receiving child support	Jack Holloway or Elaine Archangelo 302-577-4400	Developing proposal to enable AFDC families to keep more earnings from work and keep more of the child support collected by the state on their behalf.
Florida	12/92	pending	4/93	9/93	1/94	4 %	Don Winstead 904-488-3271, or, Marcia Dukes 904-487-2966	The proposed Family Transition Program would increase the AFDC earnings disregard to \$200 and 50 % of remaining earnings for the full length of the time-limited benefit period (24 months). The asset limit would be increased to \$5,000 plus a vehicle of reasonable worth.
Illinois		11/93	yes		11/93	Earnings: All recipients Assets: 300 cases	Peggie Powers 217-785-0754	Replace existing "30 and 1/3" earnings disregard with new disregard that allows families to keep \$2 of every \$3 earned without a reduction in their AFDC benefits. Homeless Families Demonstration participating families to accrue up to \$3,000 in i.

Earnings or Asset Changes (e.g. increases or extensions of the AFDC earned income disregards, or changes in AFDC asset limits)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Indiana	1/94	7/94		4/94		20 %	James Hmurovich 317-232-4704	AFDC will continue at the amount initially authorized during the 24-month time-limited period without regard to the family's earnings and assets.
Iowa		10/93	yes	4/93	8/93	95 %	Gloria Conrad 515-281-5334	Increased asset limits to \$2,000 for applicants and \$5,000 for participants; vehicle equity exemption increased to \$3,000; exempt \$10,000 for tools of the trade for self-employed; Changed \$90 earned income deduction to a 20% deduction; and replaced \$30 and 1/3 deduction with a 50% deduction which is not time limited.
Kansas	10/93						Faith Spencer 913-296-0775	Employed individuals would receive cash assistance until their combined wages, Food Stamps benefits, and EITC approximate the federal poverty level; families who lose AFDC benefits due to earnings of a family member would continue to receive benefits for 24 months rather than the current 12 months; one vehicle per family would be exempt from asset and vehicle limits.
Maine	under development						Peter Walsh 207-287-3106	Developing proposal to modify income disregards and changing "fill the gap budgeting." (Fill-the-gap is a program budgeting method that allows families with outside income, such as earnings, child support, or other income, to keep more of it than they could under regular AFDC budgeting rules.)
Maryland	1/94					Demonstration involving 3000 cases	Kimberly Kamuf 202-638-2215	Increase asset limit to \$5,000; increase the limit on allowed value of car.
Michigan	6/92	10/92	NA	7/92	8/92	100 % (except 4 research sites)	Stephanie Comai-Page 517-335-4727	Disregarding the first \$200 of earnings plus 20% without a time limit.
Minnesota		4/94	yes	yes	expected 4/94	7 %	Joel Kvamme 612-296-4730	Minnesota Family Investment Program (MFIP) pilot replaces current earnings disregards with a 38 % disregard of earned income and allows employed AFDC recipients to raise their total family income to 120 % of the federal poverty line before reducing AFDC benefits.
Missouri	12/93						Gary Stangler 314-751-4815 Jill Friedman 202-624-7720	Allow AFDC families to open Family Development savings accounts for a specific purpose, such as education or home purchase, and disregard the money invested from their eligibility calculation. Also phase-out earned income disregards more gradually.
Montana	12/93	Target date 7/95					Robbe 406-444-1917	Disregard \$100 through "fill-the-gap" budgeting \$25 of earned income for of transition.

Earnings or Asset Changes (e.g. increases or extensions of the AFDC earned income disregards, or changes in AFDC asset limits)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Nebraska	1/94						Gerry Oligmueller 402-471-9280	Developing proposal to expand earnings disregards.
Nevada	1/96						Jeanette Hills 702-687-4386	Increase resource limit to \$2,000; disregard the value of one vehicle for AFDC and Food Stamps; increase earnings disregards and deductions.
New Hampshire		Target of mid-1994	6/93	9/93	conditions under negotiation	8-10 %	Peter Bradley 603-271-4300	Replace current AFDC disregards with an earnings disregard of the first \$200 plus half the balance of earned income.
New Jersey	11/93					Applicants/ Recipients	Stephanie Salewski 609-588-2267	Increase the limit on countable resources to \$5,000; increase the limit on equity value of an AFDC family's vehicle to \$15,000.
	4/91	8/1/93	1/92	4/92	6/92	Applicants/ recipients subject to the family benefit cap.	same	Give additional state earned income disregard for families who did not receive benefit increases for children born more than ten-months after enrolling in AFDC (see attached Family Cap chart).
New York	1/94			4/94			Oscar Best 518-474-9222	Raise AFDC asset limit to Food Stamp level; remove asset test for employed public assistance recipients; disregard \$50 child support pass-through in calculating Food Stamp benefits.
North Carolina		7/1/93	N/A	3/17/93	6/10/93	Approx. 27,000 Food Stamp cases statewide	Key C. Fields 919-733-7831	Accept household's statement as verification of interest income when that interest income is less than \$10 per month or \$120 per year. This expedites the application and approval process.
	7/93			3/21/94		Applicants and recipients of Food Stamps in demon- stration areas	same	Part of state demonstrations authorized under the federal Omnibus Reconciliation Act of 1993 to test the impact of easing current vehicle limits in the Food Stamp program.
North Dakota	12/93			under develop- ment			Henry C. Wessman 701-224-2310	Increase in allowable asset levels with unified standards for AFDC, Food Stamps, and LIHEAP.
Ohio			7/93			20 %	Joel Rabb 614-466-3196	Ten County Pilot: AFDC Budget for a working family is calculated on 50 % of the need standard rather than on the payment standard.

Earnings or Asset Changes (e.g. increases or extensions of the AFDC earned income disregards, or changes in AFDC asset limits)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Ohio, cont.		1/94			10/93	Less than 1 %	Gwen Ivory 614-644-5671	Micro Enterprise Development Project: ADC budget for self-employed family is based on 133 % of poverty rather than the payment standard, treat loans as non-income, allow cash savings for business to reach \$5,000, and eliminate 100 hour rule for AFDC-Unemployed Parent families.
Oklahoma	10/93			2/94		For motor vehicle demo., approximately 922 families. For "fill-the-gap" demo., about 600 families.	Dee Fones 405-521-3533	Raise AFDC vehicle limit from equity value of \$1,500 to equity value of \$5,000. Allow working families to keep more of their income by adopting "fill-the-gap" budgeting procedures for earned income only.
Oregon			1993	11/93			Bill Walker 503-945-6075	Raise AFDC vehicle limit from equity value of \$1,500 to equity value of \$9,000.
South Carolina	1/94					All	Gwen G. Kuhns 803-737-6022	Raise AFDC vehicle limit from equity value of \$1,500 to equity value of \$5,000.
South Dakota			NA	8/93	pending	100% minus control group and some exemptions	Dennis Pelkofer 605-773-4678	Allow \$1,000 of savings for teenagers; and an auto with a cash value not to exceed \$2,500.
Texas	4/94			10/93		150 clients	Anthony Chapple 202-638-3927	Increased earned income disregard.
Utah		1/1/93				11 percent	Bill Biggs 801-538-4337	Earned income disregard \$100 plus 45% of remainder with no time limits; education income exempted for AFDC, Food Stamps and Medicaid; \$8000 in equity value of one auto exempted (for handicapped entirely exempt).
Vermont	11/91	7/94		11/92	4/93	60 percent	Betsy Forrest 802-241-2800	Replaced 4-month \$30 and 1/3 income disregard with an indefinite \$150 plus 25% disregard; one vehicle exclusion, exclusion of assets accumulated earnings while on AFDC; disregard of \$50 child support pass-along for Food Stamps; disregard of employment and training stipends.
Virginia	1/93	2/94	3/93	8/93	12/93	All but pilot	Connie Hall 4-692-1723	Change resource limits and step parent income; change income disregards.

Earnings or Asset Changes (e.g. increases or extensions of the AFDC earned income disregards, or changes in AFDC asset limits)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Wisconsin	early 1992	1/95	6/92	10/92	1/93	All except small control groups	Jean Sheil 608-266-0613	Increase the vehicle asset limit to \$2,500. (The first \$2,500 of combined equity value of <u>all</u> vehicles owned by an AFDC family are exempt.)
	early 1992	1/95	6/92	10/92	1/93	All except small control groups	same	Post-AFDC eligibility determination, recipients may accumulate assets up to \$10,000 in special resource account. Use of these assets is restricted to the purposes of educational advancement or improving employability.
	5/93	1/95	10/93	7/93	10/93	1,000 cases in 2 counties	same	Disregarding first \$30 and an amount equal to one-sixth of remaining earned income for Work-Not-Welfare participants throughout the 24 months of potential eligibility. Other AFDC recipients receive a disregard of \$30 and one sixth or one third of all additional earnings per month for four to twelve months.
	2/91	1/95	7/91	3/92	4/92	First-time teen parents in 4 pilot counties - about 3,300 over 5-year demonstration	same	Disregarding first \$200 and one-half of additional earnings per month in Parental and Family Responsibility pilot.
Wyoming		11/93	3/93	5/93	9/93	20 %	Ken Katz 307-777-5841	Increase asset limits for employed AFDC families from current limit of \$1000 to \$2,500 (implemented 10/93).

Efforts to Improve Child Support Enforcement and Paternity Establishment (other than those required by federal law)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Alabama		7/90		8/88	7/90	3 counties (approx. 10% of state)	Gundrun Hanson 205-242-1950	Child support requirements and the \$50 benefit disregard for child support income in the AFDC program were expanded to the Food Stamp program.
Alaska	1/94						Mary Gay 907-263-6279	Governor will propose legislation to implement Interstate Compact.
California							Mike Genest 916-657-3546	Comprehensive program including universal and simplified paternity establishment, universal and periodic updates of awards, immediate reporting of new hires, and enhanced collection and enforcement. State also has a demonstration project providing job training for noncustodial parents who are unemployed.
Connecticut	1/93		yes	12/93		95 %	Mark Schwartz 203-566-7086	Increase the amount of child support collected that is passed on directly to AFDC families from \$50 to \$100. ¹ Pay as a separate check the child support portion of the grant. Pilot the concept of child support assurance with 5 % of AFDC cases.
Delaware	1/94	Target date of 5/95					Jack Holloway Elaine Archangelo 302-577-4400	Enhance enforcement and take steps to facilitate interstate processing.
Florida		7/93	4/93	NA	NA	statewide	Don Winstead 904-488-3271 Marcia Dukes 904-487-2966	Child support reform legislation required JOBS ² participation for unemployed non-custodial parents.
Georgia		7/93					James Ledbetter 404-651-6316	Established pilot projects with hospitals around the state to assist in establishing paternity in the hospital.
Illinois		6/93	yes	NA		5,600 cases annually in expedited hearings; 450 non-custodial parents in Parental Involvement Project	Charles Kirian 312-793-3291	Established Expedited Hearing Process for child support and paternity cases. Hearing officers review evidence and make recommendations to a judge for final review and approval. Seek waivers for the Parental Involvement Project which will provide employment and training, parenting, and family life skills services to 450 noncustodial parents of AFDC children.

Efforts to Improve Child Support Enforcement and Paternity Establishment (other than those required by federal law)

Status of Reform Initiative							Other Information	
State	Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Iowa			yes	NA			Norma Hohlfeld 515-281-4607	Creating centralized registry for immediate reporting of new hires; establishment of paternity by affidavit; establishment of paternity by administrative process; and job search and community service requirements.
Kansas	10/93						Faith Spencer 913-296-0775	Require participation in JOBS, public service employment or job search components for noncustodial parents; offer father of unborn child AFDC in return for acknowledgment of paternity; and initiatives to increase parents' financial and emotional support of their children.
Maine			7/93			Everyone	Colby Jackson 207-287-2887	Revocation of professional and other licenses for failure to pay child support.
Maryland	1/94						Kimberly Kamuf 202-638-2215	Recipients must establish paternity for their children to receive benefits.
Massachusetts	1/94						Bob Bliss 617-348-8405	Allow AFDC families to retain all child support that is collected on their behalf without a reduction in their AFDC benefits. ³
Michigan	6/92	pending	pending	NA	NA	Everyone	Stephanie Comai-Page 517-335-4727	Hospital based paternity establishment and reporting arrears to credit agencies.
Minnesota		1991	yes	NA			Anne Martineau 612-296-1593	Established hospital-based paternity recognition program in 1991.
Missouri	12/93						Gary Stangler 314-751-4815 Jill Friedman 202-624-7720	Seek waiver to deny benefits until paternity is established; use mediation services to overcome visitation issues that prevent child support payments; expand mandatory education and job training program for noncustodial parents not paying child support; and, give noncustodial parents credit toward state child support debts for community service work.
Montana	1/94						Penny Robbe 406-444-1917	Count applicants for AFDC as AFDC cases for collection purposes.
Nevada		4/94					Kay Zunino 702-687-4082	Child support payments over 24 months delinquent are referred to a private collection agency.

Efforts to Improve Child Support Enforcement and Paternity Establishment (other than those required by federal law)

Status of Reform Initiative							Other Information	
State	Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
New Hampshire		11/93	7/93			22,000 cases or 61% caseload	Dorothy Leavitt 603-271-4440	Lottery intercept program to enhance child support enforcement efforts.
New Jersey	Under development					Applicants, recipients and NPA caseload	Doris Sims 609-588-2915	Simplify civil process for voluntary acknowledgment of paternity and implement hospital-based paternity establishment programs.
	2/93					same	same	Suspend or deny renewal of professional occupational or vehicular license of delinquent child support obligor.
North Dakota	12/93		Interim approval	Under development			Henry C. Wessman 701-224-2310	Revoke licenses of noncustodial parents who do not pay child support. Adopt the Uniform Interstate Family Support Act (UIFSA).
Ohio			7/93			20 %	Joel Rabb 614-466-3196	Ten county pilot: Allow AFDC families to keep \$75 instead of \$50 each month in child support. Pay a one-time \$150 bonus when paternity is established while a family is on AFDC.
		5/92			4/92	less than 1 %	Jackie Martin 614-644-5671	Parents Fair Share demonstration requires non-custodial fathers who are not making child support payments to participate in JOBS. Provide support groups for noncustodial parents.
Oregon			yes				Jim Schultz 503-986-2421	Suspend occupational licenses of noncustodial parents who are more than \$2,500 in arrears on child support payments.
Puerto Rico	8/95	8/95	NA	NA	NA	100%	Miguel A. Verdiales 809-722-4731	Automating programs and privatizing collections.
South Carolina	1/94					All	Gwen G. Kuhns 803-737-6022	Require that paternity be established as a condition of receiving benefits. If the father is unknown, then the mother must name up to three people who are likely to be the father.
Texas	1993	1993	1993				Anthony Chappell 202-638-3927	Strengthened paternity establishment and collection laws. Adopted the Uniform Interstate Family Support Act (UIFSA).
U.S.		1/93				11%	Bill Biggs 1-538-4337	Child support prioritized for Self-Sufficiency participants; \$100 payment reduction for failure to cooperate; unemployed, custodial parents participate in JOBS.

Efforts to Improve Child Support Enforcement and Paternity Establishment (other than those required by federal law)

Status of Reform Initiative							Other Information	
State	Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Vermont	11/91	7/94	11/92	4/93		80%	Betsy Forrest 802-241-2800	Sending all child support payments directly to the AFDC family and reducing the AFDC grant by the amount of payment (minus \$50).
Wisconsin	10/87	1990	6/88	NA		Approximately 1200 cases	Susan Abbey 608-267-9846	Under the <i>Children First</i> program a noncustodial parent must pay support or participate in job training and work experience necessary to being employed. Noncustodial parents are referred to the program by the court.

¹ Currently only the first \$50 of child support income received by AFDC families is disregarded in determining eligibility and benefits for the family. Amounts collected above \$50 reduced the family's AFDC grant dollar for dollar, leaving the family's net income the same. The remainder is shared between the states and the federal government.

² *JOBS* is the federal-state Job Opportunities and Basic Skills employment program for welfare recipients. It was enacted in 1988.

³ See footnote 1.

Changes Affecting Two-Parent Families

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Alabama		7/90		8/88	10/89	AFDC-Unemployed Parent ¹ families in 3 counties (approx. 10% of state)	Gundrun Hanson 205-242-1950	Eliminate the 100-hour rule and work history requirements. ²
Alaska	4/93					AFDC-UP families	Jan Hansen 907-465-3347	Governor has taken several actions to urge federal repeal of the 100-hour rule.
Arizona	under consider- ation					AFDC-UP families	Mary Leader 602-542-1316	Eliminate of the 100-hour rule and work history requirements. Disregard some stepparent income. ³
California		12/92	9/92	9/92	10/92	AFDC-UP families	Mike Genest 916-657-3546	Eliminate the 100-hour rule for recipients only.
Connecticut	1/93		yes	12/93			Mark Schwartz 203-566-7086	Eliminate the deprivation requirement. ⁴ Simplify and increase benefits for AFDC families with stepparents.
Delaware	1/94	Not yet determined				825 AFDC families	Jack Holloway, or, Elaine Archangelo 302-577-4400	Eliminate the work history requirement and the 100-hour rule. Equalize state and federal benefits for children in poor families and provide AFDC benefits to families disqualified from unemployment compensation.
Florida	12/92	Pending	4/93	9/93	1/94	4 %	Don Winstead 904-488-3271	Eliminate the work history requirement. Exclude stepparent income for six months.
Illinois		11/93	yes		1/93	All AFDC-Unemployed Parent families	Peggie Powers 217-785-0754	Eliminate the work history and 100-hour rule requirements.
Indiana	1/94	7/94		4/94		5 %	James M. Hmurovich 317-232-4704	Change the 100-hour rule.
Iowa		10/93	yes	4/93	8/93	95 %	Gloria Conrad 515-281-5334	Eliminate the 100-hour rule; refer both parents to the Employment Services; and allow child care deductions for stepparents.
Kansas	10/93						Faith Spencer 913-296-0775	Both parents would be required to register for work or participate in JOBS.

Changes Affecting Two-Parent Families

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Maryland	1/94					AFDC-Unemployed Parent families in demonstration of 3000 cases total	Kimberly Kamuf 202-638-2215	Eliminate 100-hour rule. Increase asset allowance.
Massachusetts	1/94							Beginning one year after initial implementation certain eligibility factors to be modified
Michigan	6/92	10/92	NA	7/92	8/92	100% (except for research sites)	Stephanie Comai-Page 517-335-4727	Eliminate the 100-hour rule and work history requirements.
Minnesota		4/94	yes	yes	Expected 4/94	AFDC-Unemployed Parent families in MFIP demonstration; all MFIP cases are 7 % of total caseload	Joel Kvamme 612-296-4730	As part of Minnesota Family Investment Program (MFIP), all two-parent families in the demonstration must develop a Family Support Agreement by their seventh month of assistance.
Montana	1/94	Target date is 7/1/95					Penny Robbe 406-444-1917	Eliminate deprivation requirement.
Nevada	1/96						Jeanette Hills 702-687-4386	Eliminate the 100-hour rule and the work history requirements.
New Jersey	4/91	10/92	1/92	4/92	6/92	Recipients who marry while on assistance	Stephanie Salewski 609-588-2267	Exempt the income of the spouse when a custodial parent marries while on assistance.
New York	1/94			4/94		All AFDC-Unemployed Parent families	Oscar Best 518-474-9222	Eliminate the deprivation requirement and change how the income of stepparents is counted for purposes of eligibility and benefits.
Ohio			7/93			20 %	Joel Rabb 614-466-3196	Eliminate 100-hour rule and work history requirements for AFDC-Unemployed Parent families in ten county pilot.
Oklahoma	10/93			2/94		All AFDC-Unemployed Parent families in one county (12% of AFDC- UP caseload)	Dee Fones 405-521-3533	Eliminate the 100-hour rule and base eligibility instead on monthly income.
Oregon	Under considera-						Jim Neely 503-945-5607	Waive the 100-hour rule for the first months that h of employment exceeds 100 h

Changes Affecting Two-Parent Families

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
South Carolina	1/94					All	Gwen G. Kuhns 803-737-6022	Eliminate deprivation requirements and the 100-hour rule.
Utah							Bill Biggs 801-538-4337	Demonstration rules apply if moving from single parent to two-parent status.
Vermont	11/91	7/94		11/92	4/93	80 %	Betsy Forrest 802-241-2800	Eliminate the 100-hour rule and work history requirements.
Wisconsin	7/89	10/91	7/89	5/90	7/90	All except small control groups	Mary Ament 608-267-0939	Eliminate the 100-hour rule.
	2/91	1/95	7/91	3/92	4/92	First-time teen parents in 4 pilot counties - about 3,300 over 5-year demonstration	Jean Sheil 608-266-0613	Couples 20 years of age and under, who do not have work experience, may be eligible for AFDC in Parental and Family Responsibility pilot.

¹AFDC-Unemployed Parent cases are families with both parents living in the household where the principal earner in the family is unemployed. In addition to the regular income and asset eligibility requirements that all families applying for AFDC must meet, these two-parent families must also pass certain other eligibility tests. These tests include: the work history requirement, the 100-hour rule, and the deprivation requirement.

²These are special eligibility tests that only two-parent AFDC families must meet. Under the *work history requirement*, a family with both parents living in the household must show that the principal earner has 1) six or more quarters of work in any 13 calendar quarter period ending within one year prior to application for assistance, or 2) have received or been eligible to receive unemployment compensation within 1 year prior to application for assistance. A quarter of work is a quarter in which the individual earns at least \$50 or is participating in the JOBS program. The *100-hour rule* prohibits two-parent families from receiving AFDC if either of the parents works more than 100 hours of month, even if the family earns so little that their income would still qualify them for assistance.

³The AFDC program counts a portion of a stepparent's income as available to the rest of the AFDC family when determining eligibility and benefit amounts. In addition, *all* of a stepparent's income is counted for purposes of AFDC eligibility and benefits in seven states where state law requires stepparents to assume the same legal responsibility as a natural or adoptive parent.

⁴Under the *deprivation requirement*, a family is only eligible for AFDC if the children have been deprived of parental support or care because their father or mother is absent from the home continuously, is incapacitated, is deceased or is unemployed.

Electronic Benefit Transfer (EBT – payment of benefits through electronic debit card)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
California	7/91	4/95	NA	NA	4/93 7/93	13% statewide	Mike Genest 916-657-3546	Food Stamps EBT pilot in San Bernardino with expansion in San Diego County. AFDC benefits are also included.
Delaware	1/94	Target date 7/95					Jack Holloway Elaine Archangelo 302-577-4400	Feasibility study for "smart card" to deliver a range of benefits electronically.
Florida	under develop- ment	pending	4/92			not determined	Don Winstead 904-488-3271, or, Marcia Dukes 904-487-2966	EBT legislation passed in 1992 session; planning is proceeding. Would include Food Stamps, AFDC and WIC.
Georgia		Target date 10/95			Planning document approved by the federal government		James Ledbetter Anne Howard 404-651-6316	Will include both AFDC and Food Stamp benefits.
Illinois		Summer 1994	yes	12/93		all cases statewide	Ed Jakobsen 217-782-9154	Will include AFDC, Aid to the Aged, Blind or Disabled, Refugee Repatriate Assistance, General Assistance and Child Support Enforcement "pass-through" payments to AFDC families.
Indiana	under consider- ation						James Hmurovich 317-232-4704	On-going study to evaluate feasibility and resource needs for system design.
Iowa		6/93			5/93	17%	Norma Hohlfeld 515-281-4607	Food Stamps and AFDC are currently available electronically in a limited area.
Kansas	under develop- ment						Faith Spencer 913-296-0775	Would include AFDC, Food Stamps, and Medicaid.

Electronic Benefit Transfer (EBT – payment of benefits through electronic debit card)

Status of Reform Initiative							Other Information	
State	Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Maine	under development						Carol Whitney 207-287-3106	Draft request for proposals for EBT vendor is in process. Once complete, a bid for services in a pilot area of Maine, New Hampshire and Vermont will be sought. Feasibility study of tri-state project completed 5/93. Project implementation schedule to be completed by 3/94. Includes AFDC, General Assistance and Food Stamps.
Maryland		1992				All cases statewide	Kimberly Kamuf 202-638-2215	Includes Food Stamps, AFDC, General Assistance, and child support enforcement "pass through." Only state in the nation to have implemented EBT statewide.
Michigan	under development				Planning document approved by federal govt.		Stephanie Comai Page 517-335-4727	One county pilot for Food Stamps, WIC and AFDC.
Minnesota		1988	yes				Jan Devens 612-282-5554	Food Stamps, AFDC, General Assistance, and Refugee Assistance. Approved to expand statewide.
Missouri	1992				Planning document approved by federal govt.	Statewide	Gary Stangler, 314-751-4815, or, Jill Friedman, 202-624-7720	Includes AFDC, Food Stamps, Medicaid and WIC programs.
Nebraska	1/94						Gerry Oligmueller 402-471-9280	Will seek waiver to develop EBT for Food Stamp benefits.
New Hampshire	mid-1994						Frank Richards 603-271-4297	Draft request for proposals for EBT vendor is in process. Once complete, a bid for services in a pilot area of Maine, New Hampshire and Vermont will be sought. Feasibility study of tri-state project completed 5/93. Project implementation schedule to be completed by 3/94. Includes AFDC, General Assistance and Food Stamps.

Electronic Benefit Transfer (EBT -- payment of benefits through electronic debit card)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
New Jersey		2/94				Applicants and recipients	Pat Cary 609-588-2183	Will provide electronically AFDC, Food Stamps payments, and the \$50 child support pass-through.
New York	1994						John Di Palermo 518-474-9482	Will pilot EBT for both Food Stamps and AFDC.
North Carolina	Under develop- ment						Kevin Fitzgerald 919-715-0692	Being developed as part of a Department of Human Resources-wide automation effort.
North Dakota	1/93	1995	4/93	under develop- ment			Conrad Moe 701-224-2310	Joint venture of North and South Dakota. EBT of Food Stamps in both states.
Ohio		2/92				Pilot with 6 % of cases; statewide by 1998	Mike Caygill 614-466-4815	Piloting "Smart Card" to deliver Food Stamps electronically in one county. Will expand to statewide by 1998.
Oregon		Pilot 1/95; statewide 7/95					Bill Walker 503-945-6075	Will deliver Food Stamps, AFDC and State Assistance in pilot project beginning 1/95; expand statewide 7/95. Working with selected contractor to develop function requirements for the EBT system.
Puerto Rico	under consider- ation	NA					Andres R. Diaz 809-725-1094	Under consideration for NAP and PA
South Carolina	under develop- ment					Plan to implement system statewide	Gwen G. Kuhns 803-737-6022	State signed agreement 1/94 to develop system to deliver Food Stamps electronically statewide.
South Dakota	under develop- ment		NA		Planning document approved by federal govt. 11/93		Robert Nickisch 605-773-3493	EBT planned for Food Stamps statewide in 1995; AFDC will follow.
Texas	under develop- ment					Pilot project in two counties	Anthony Chapple 202-638-3927	Will include AFDC and Food Stamps. EBT system procurement is in process.

Electronic Benefit Transfer (EBT -- payment of benefits through electronic debit card)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Vermont	under develop- ment						Betsy Forrest 802-241-2800	Draft request for proposals for EBT vendor is in process. Once complete, a bid for services in a pilot area of Maine, New Hampshire and Vermont will be sought. Feasibility study of tri-state project completed 5/93. Project implementation schedule to be completed by 3/94. Includes AFDC, General Assistance and Food Stamps.
Wyoming		4/95	3/93				Joe Golden 307-777-5366	Pilot project to go on line 4/95.

Job Creation (paid public service jobs, diversion of AFDC grants to subsidize wages, self employment, small business creation, community economic development)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Arizona	Under considera- tion						Mary Leader 602-542-1316	Pilot similar to Oregon JOBS Plus program where a recipient's AFDC and food stamp benefits are diverted to subsidize the wages of a private sector job for the recipient.
California		6/86	9/85				Mike Genest 916-657-3546	Divert AFDC grants to subsidize wages for recipients. Train recipients in business development and self-employment as part of the JOBS ¹ program.
Connecticut		1/94	yes	NA		All recipients	Mark Schwartz 203-566-7086	New initiative to work closely with the Departments of Economic Development and Labor to create more job opportunities for clients.
Florida	Dec. 92	pending	4/93	9/93	1/94	4 %	Don Winstead 904-488-3271	Provisions for employer incentives and community initiative.
Illinois	8/92	9/92	NA	NA	NA	161 recipients participated	Marilyn Okon 217-785-0480	The STEP-UP initiative trained and employed 298 public housing residents at \$13.50 an hour to renovate 1000 vacant and unrentable public housing units. Benefits of AFDC recipients in the program were diverted to a wage pool for up to six months to subsidize their wages. After six months, those with satisfactory job evaluations were employed for another six months while apprenticeship and other job openings were explored for them.
		10/92	yes			Approximately 15,000 former General Assistance recipients	Deloros M. Wilson 217-785-0465	Earnfare allows former GA recipients to again receive GA benefits for six months by working off their Food Stamp benefits in public or private jobs and then being paid the minimum wage for additional hours up to \$154 per month. Earnfare is part of the state's Food Stamp Employment and Training program and is open to those formerly eligible for GA before benefits to employable adults were eliminated.
Indiana	1/94	7/94		4/94		20 %	James M. Hmurovich 317-232-4704	Create jobs in small businesses by subsidizing wages for AFDC recipients. Under the proposal, families may receive up to two years of benefits, during which they will work in jobs created through subsidizing wages for small businesses. Wages will be subsidized by diverting the recipient's grant if the employer agrees to employ the recipient for two years, to offer on-the-job training activities, and to pay the standard wage (which must be at least the minimum wage).

Job Creation (paid public service jobs, diversion of AFDC grants to subsidize wages, self employment, small business creation, community economic development)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Iowa		1988	yes	1988	1988	1 %	David Perret 515-281-4187	Provide entrepreneurial training through the Self-Employment Investment Demonstration and the Self-Employed Household Incentive Program.
Kansas	10/93						Faith Spencer 913-296-0775	Expand private sector community work experience and public service employment.
Maryland	1/94					Demonstration of 3000 cases	Kimberly Kamuf	Create public sector jobs for recipients who have received benefits for two years.
Michigan	Detroit 1988	Detroit 1989 Expanding	NA	Expansion requested 12/92	Expansion Approved 10/93	less than 1 %	Stephanie Comai-Page 517-335-4727	Provide entrepreneurial training for recipients at two sites.
Missouri	1992		yes	6/92			Gary Stangler 314-751-4815, or, Jill Friedman 202-624-7720	Convert AFDC grants to wage supplements to create jobs, such as needed support services, and spur economic development in low-income neighborhoods.
Minnesota		1988	yes	yes	annually since 1988	50 clients in grant diversion; 20 in self- employment	Michael Sirovy 612-296-5482	Divert AFDC grants to create jobs by subsidizing wages for recipients and provide training for recipients to become self-employed.
Nebraska	1/94	NA	NA	NA	NA		Gerry Oligmueller 402-471-9260	Create Governor's Roundtable, composed of leaders in business, industry, labor and government, to direct a variety of studies and make recommendations by 10/15/94 to the Governor and legislature that outline strategies for linking the unemployed and underemployed with training and jobs that pay a living wage. State government agencies will analyze tax, unemployment insurance, economic development, child support, and job training policies to identify changes that would reduce the need for public assistance.
New Jersey		7/87		4/92	6/92	Recipients	Stephanie Salewski 609-588-2267	Allow recipients to serve as child care providers as their required JOBS activity.
New York	1/94			4/94			Oscar Best 518-474-9222	Divert AFDC grants to create jobs by subsidizing wages for recipients; other job creation proposals under development.

Job Creation (paid public service jobs, diversion of AFDC grants to subsidize wages, self employment, small business creation, community economic development)

Status of Reform Initiative							Other Information	
State	Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
North Dakota	12/93		interim approval	under development			Henry C. Wessman 701-224-2310	Create public sector jobs or community service positions for AFDC recipients who reach the time limit established in their social contract.
Ohio	1/94					Less than 1 %	Stan Sells 614-466-6282	Under the Economic Development Initiative, use Food Stamp and AFDC benefits to supplement wages for two years. Wage supplement would be 50 % of wages for the first year and 25% of wages for the second year.
Oklahoma	10/94			2/94			Susan Hall 405-521-3500	As part of time-limiting assistance the state will work with other state agencies and private industry to develop jobs for individuals reaching their time limit. "Workfare" will provide unpaid jobs in exchange for an AFDC warrant. Hours worked are determined by the grant amount divided by minimum wage.
Oregon			1993	11/93		Recipients in six counties	Jim Neely 503-945-5607	JOBS Plus will provide government-paid, minimum wage jobs for welfare recipients in the public or private sector by converting Food Stamp and AFDC benefits to wages. Participants will continue to receive government-paid supportive services and will be entitled to the same sick leave, holiday and vacation leave as other private employees.
Puerto Rico							Migdalia Marrero 809-725-6496	Public Service Employment and self-employment arranged by agency; hours are set according to the grant level.
South Carolina	1/94					pilot area (4 counties)	Gwen Kuhns 803-737-6022	Establish entrepreneurial training and pilot of private sector incentives to hire AFDC clients.
South Dakota	2/94	2/94	NA	NA	NA	15 %	Robert Shaff 605-773-3493	Employer Relations Specialist to do private sector outreach and job development.
Utah		1/93				11 %	Bill Biggs 801-538-4337	Job Service placement workers located in assistance offices.
Vermont	11/91	7/94		11/92	4/93	60 %	Steve Gold 802-241-2800	Divert AFDC grants to create jobs by subsidizing wages for recipients who reach their time limit.
Wisconsin	5/93	1/95	10/93	7/93	10/93	1,000 cases in 2 counties	Alice Wilkins 608-266-3466	Public and private employment generated through a partnership between business, local communities, government. This includes diverting AFDC to subsidize wages for recipients a part of the JOBS program.

Job Creation (paid public service jobs, diversion of AFDC grants to subsidize wages, self employment, small business creation, community economic development)

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative

¹ JOBS is the federal-state Job Opportunities and Basic Skills employment program for welfare recipients. It was enacted in 1988.

Initiatives Related to Transitional Child Care and Transitional Medicaid¹

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Arizona	Under consi- deration					All	Mary Leader 602-542-1316	Expand Medicaid to 100% of the federal poverty level for everyone.
California	3/93	3/94	6/93	10/93	pending	Working AFDC recipients	Mike Genest 916-657-3546	CA Alternative Assistance Program would permit working AFDC families to receive child care assistance and Medi-Cal benefits in lieu of cash grant.
Colorado			5/93	6/93	1/94	10 %	Don Bishop 303-866-3103	Eliminate requirement that families must have received AFDC in 3 of the last 6 months in order to receive Transitional Medicaid or Child Care. Eliminate Medicaid reporting requirements for Transitional Medicaid.
Connecticut	1/93		yes	12/93		95 %	Mark Stewards 203-566-7086	Extend Transitional Medicaid one additional year (24 months total); extend child care as long as family's income remains under 75 % of median income.
Delaware	1/94						Jack Holloway Elaine Archangelo 302-577-4400	Expand access to child care for low income families by adding 1000 child care slots for families with income under 150 % of poverty. Provide medical coverage to all children under 100 % of poverty.
Florida	12/92	pending	4/93	9/93	1/94	4%	Don Winstead 904-488-3271, or Marcia Dukes 904-487-2966	Extend Transitional Child Care for total of 24 months. Eliminate periodic reporting requirement for Transitional Medicaid.
Georgia		7/93					James Ledbetter 404-651-6316	Expanded Medicaid coverage to include children through age 18 and increased the number of children eligible who are under age 6.
Hawaii				4/93	8/93			HealthQuest will expand access to uninsured and guarantee uninterrupted coverage of those receiving various types of public assistance.

Transitional Child Care and Transitional Medicaid

Status of Reform Initiative							Other Information	
State	Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Illinois		11/93	yes		1/93	300 cases	Peggie Powers 217-785-0754	The Homeless Families Support Project allows homeless families to accrue up to \$3,000 in assets and extends Transitional Medicaid and Child Care for up to two years total.
Indiana	1/94	7/94		4/94		100 %	James Hmurovich 317-232-4704	Proposal would extend Transitional Child Care and Medicaid for an additional 6 to 18 months (18 to 36 months total).
Iowa		10/93	yes	4/93	8/93	95%	Rosemary Norlin 515-281-5583	Extend current Transitional Child Care and Medicaid from 12 to 24 months.
Kansas	10/93						Faith Spencer 913-296-0775	Extend current Transitional Child Care and Medicaid from 12 to 24 months.
Maine						100 %	Peter Walsh 207-287-3106	Considering extending current Transitional Child Care and Medicaid from 12 to 24 months.
Massachusetts	1/94						Bob Bliss 617-348-8405	Extend Transitional Medicaid from 12 months to 24 months after a recipient leaves AFDC for employment. Expand day care on a sliding fee scale for low-income working families.
Missouri	1993	pending	1993				Gary Stangler 314-751-4815 Jill Friedman 202-624-7720	The Educare initiative will use child care funds to improve the educational quality of day care. Schools will either establish Educare programs at sites away from schools or provide support services and educational enhancements to child care providers that offer Educare.
Montana	1/94						Penny Robbe 406-444-1917	Extend a partial package of Medicaid benefits to low-income adults. Change current Transitional Medicaid program after six months of receipt to provide a sliding scale of Medical assistance for working families with incomes up to 133% of the poverty level. If child available, sliding fee to all working families up to 133% of the poverty

Transitional Child Care and Transitional Medicaid

Status of Reform Initiative							Other Information	
State	Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
New Jersey	4/91	10/92	1/92	4/92	6/92	Recipients who have left AFDC due to earnings	Stephanie Salewski 609-588-2267	Medicaid benefits in the transitional period are extended for 24 months after AFDC termination for earnings reasons in the counties that are in the state's welfare reform initiative.
North Carolina			7/93			AFDC families leaving welfare for work	Dr. Richard Clifford 919-733-4801	Enacted as part of Governor Hunt's comprehensive early childhood initiative. A major component targets working low-income families as eligible for subsidies through existing state or local programs.
Ohio			7/93			Recipients who leave AFDC due to earnings in ten counties	Joel Rabb 614-466-3196	Extend Transitional Child Care from 12 months to 18 months in ten-county pilot.
Oregon	under development			under development			Bill Walker 503-945-6075	Eliminate requirement that families must have received AFDC in 3 of the last 6 months in order to receive Transitional Child Care.
Tennessee		1/94		6/93	11/93	All AFDC recipients	Billy Stairs 615-741-3763	TennCare initiative expands access to health care for the uninsured and guarantees health care for AFDC families leaving welfare for work.
Utah		1/93				11%	Bill Biggs 801-538-4337	Medicaid for 3 months; then 12 months of transitional medical services.
Vermont	11/91	7/94		11/92	4/93	80%	Betsy Forrest 802-241-2800	Extend Transitional Medicaid to 36 months for former AFDC recipients who leave AFDC due to earnings.
				NA	NA	100%		Provide child care assistance as long as recipient qualifies financially under existing state and federal programs. Child care guarantee will be carried out using existing state and federal funding resources.
Virginia	1/93	1/94	3/93	8/93	12/93	600 statewide	Ben Greenberg 4-692-1213	Extend Transitional Child Care to 24 months & Transitional Medicaid to 36 months.

Transitional Child Care and Transitional Medicaid

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Wisconsin	5/93	1/95	10/93	7/93	10/93	1,000 cases in 2 counties	Jean Sheil 608-266-0613	As part of Work-Not-Welfare, an AFDC recipient is entitled to a 12-month extension of medical assistance and child care which can be used over the course of four years if the case closes due to employment. Other welfare recipients receive a 12-month extension of medical care regardless of asset or income accumulation, and they receive a 12-month extension of child care with co-payments by recipients.

¹ The Family Support Act of 1988 requires all states to offer one year of post-AFDC Medicaid and child care to families leaving AFDC due to earnings.

Time Limits on AFDC Benefits

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Arizona	under consideration						Mary Leader 602-542-1316	The Governor is considering proposing time limits similar to the Wisconsin pilot.
California	1/7/94	Target date 7/96				All recipients	Mike Genest 916-657-3546	Proposed a statewide demonstration project that would, beginning two years after enactment, remove able-bodied adults who have received aid for at least two years from the grant while continuing to count their income in calculating the need standard. The time limit would be phased in beginning six months after enactment with a 15% grant reduction for cases with able-bodied adults who have received aid for at least six months.
Colorado	1/93		5/93	6/93	1/94	Recipients in demonstration counties; 10 % of cases	Don Bishop 303-866-3103	Personal Responsibility and Employment Program will require AFDC recipients to work or participate in a training program after 24 consecutive months of benefits. Parents who refuse to participate would lose their share of the grant.
Connecticut	1/93		yes	12/93		5 %	Mark Schwartz 203-566-7086	Require parents who have received AFDC for two years to perform work activity to continue to receive assistance.
Delaware	1/94	not yet determined				1,600 Adult First Step Participants	Jack Holloway Elaine Archangelo 302-577-4400	Require two years of participation in First Step Employment and Training ending in private sector employment or CWEP placement.
Florida	12/92	pending	4/93	9/93	1/94	4 %	Don Winstead 904-488-3271 Marcia Dukes 904-487-2966	AFDC recipients would be limited to 24 months of cash assistance in any 60 month period. In some limited cases, benefits are available 36 months of 60 months.
Indiana	1/94	target date 7/94		4/94		20 %	James Hmurovich 317-232-4704	Limit AFDC benefits to a period of 24 months. During the 24 months AFDC benefits will be diverted to businesses as a wage subsidy to create jobs.

Limits on AFDC Benefits ("Family Cap")

Status of Reform Initiative							Other Information	
State	Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
Arizona	under consideration					Recipients	Mary Leader 602-542-1316	Limit size of grant when second child is born to half of regular grant and no increased grant thereafter for additional children.
Arkansas	1/93			1/93		Statewide	Jerry Evans 501-682-8251	Any child born into adult recipient's family would be excluded for determining eligibility and grant amount; in-depth information on family planning available to applicants and recipients; special outreach to teens.
California		7/94	NA	5/92	9/92	Statewide	Mike Genest 916-657-3546	Family benefit cap proposed but rejected by state legislature. Require pregnant and parenting teens to live with their parents.
Delaware	No (see description)						Jack Holloway Elaine Archangelo 302-577-4400	Propose instead of family benefit cap that the required Social Contract may include mandatory participation with family planning programs.
Georgia		1/94		6/93	11/93		James Ledbetter 404-651-6316	Will not provide increase AFDC benefits for the birth of an additional child in families that have received benefits for a total of 24 months after 1/1/94.
Indiana	1/94	7/94		4/94		100 %	James Hmurovich 317-232-4704	Limit AFDC benefits to the number of children the family has at the time of application.
Maryland	1/94					100 %	Kimberly Kamuf 202-638-2215	Will not increase benefits for children born more than 10 months after a family begins receiving AFDC.
Nebraska	1/94	Target date 7/95		under development			Gerry Oligmueller 402-471-9280	Will not increase benefits for children born more than 10 months after a family begins receiving AFDC.

Family Benefit Cap

Status of Reform Initiative							Other Information	
State	Proposed	Imple- mented	Legislature approved	Waivers requested	Waivers approved	Portion of caseload affected	Contact Person	Brief Description of Initiative
New Jersey	4/91	10/92	1/92	4/92	6/92	Applicants and recipients	Stephanie Salewski (609) 588-2267	Capped benefits to families, with no cash assistance paid for any child born at least 10 months after being enrolled in AFDC.
South Carolina	1/94						Gwen Kuhns 803-737-6022	Require birth control as a condition of eligibility.
Wisconsin	5/93	1/95	10/93	7/93	10/93	1000 cases in 2 counties	Jean Sheil (608) 266-0613	An AFDC recipient's benefit will not be increased to reflect the birth of a child into the Work-Not-Welfare family if the birth occurs after 10 months of enrollment on AFDC.
	2/91	1/95	7/91	3/92	4/92	First-time teen parents in 4 pilot counties - about 3,300 over five- year demonstration	same	Recipients receive half the normal grant size for a second child, and no increase for any additional children as part of Parental and Family Responsibility pilot.

¹ "Family Cap" generally refers to policies that limit benefit increases to AFDC families for children conceived while the family is receiving AFDC. Typically, AFDC grants are adjusted for family size with larger families receiving higher grants than ones with fewer children.