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NATIONAL GOVERNORS' ASSOCIATION

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Governor of South Carolina
Chairman

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Governor of Vermont
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May 20, 1994

MEMORANDUM

TO: Governor Carper
Governor Engler

FROM: Barry Van Lare

RE: Welfare Reform - Next Steps - UPDATE

This memorandum updates my memorandum of May 13 to reflect the results of continuing discussions with Administration staff. For the sake of simplicity it follows the same basic format as that earlier memorandum.

At this time, the President is expected to announce his legislative proposals sometime between Memorial Day and mid to late June. As indicated earlier, the President's proposals appear to be substantially responsive to the principles adopted by the Governors in Tulsa (see Attachment 1 for short summary) and to the concerns expressed by the states.

Assuming that the final legislative proposal tracks our latest discussions with the Administration, the broad principles in the President's proposal that appear compatible with NGA policy include:

- Welfare as a transition to self-sufficiency
- Special programs for those not yet ready for employment or training
- Time limited cash assistance, including education and training to help prepare for work
- Long term assistance based on work
- Improved child care and Earned Income Tax Credits for low income working families
- Enhanced interstate child support enforcement
- Expanded programs to encourage family stability and limit teen pregnancy
- Increased state flexibility in program design
- Improved coordination between AFDC and Food Stamps
- Enhanced federal financing, including lower matching rates

It is our further understanding that the Administration's proposal will address the following state concerns highlighted during the discussions with the President's Working Group.

- Option to defer a limited percent of additional recipients from the time limited program and to extend the time limit for a limited number of individuals to complete education or training programs
- Assurance that participants in the transitional program and WORK can be required to search for and accept work at any point
- Option, as in current JOBS program, to require participation in grant diversion or CWEP positions during the time limited program
- Option to include subsidized public and private jobs and community work experience as components of the WORK program
- No time limit on full federal reimbursement for recipients in WORK
- Clearer requirements for federal agencies to coordinate their education and training programs and flexibility for Governors in developing state coordination mechanisms
- Option for the states to continue cash assistance beyond the two year limit to recipients who are working at least 20 hours per week in unsubsidized jobs
- Authority for the advanced payment of the EITC
- Option to extend assistance to two parent families
- Continuation of 1115 waiver authority
- Recognition of that final implementation dates will need to reflect realistic lead time for systems development and state legislative action
- Recognition that performance targets must reflect achievable goals and provide exceptions for conditions such as high unemployment and natural disasters that we beyond the control of the states
- Limitation of new child support mandates to those affecting interstate enforcement only

The Administration has not yet made final decisions regarding the following issues that were identified as concerns to a number of states:

- The extension to AFDC, JOBS, and WORK day care the Child Care Development Block Grant requirement that family and informal day care providers meet minimum state determined health and safety requirements, including training in health and safety
- No option for a state to place an absolute limit on the time that a recipient may remain in a combination of transitional assistance and WORK (Administration is considering whether this might be addressed through 1115 demonstrations)
- No automatic extension of existing 1115 waivers (Administration argues that statutory changes would require a review and that changes might be financially advantageous to states)

The Administration has provided general assurances that the level of funding will be sufficient to meet participation requirements and that neither the sources of federal funds nor financing and performance incentives will have an overall adverse impact on state finances. A detailed briefing provided to state representatives on May 17 appeared to address most state concerns about cost projections and funding levels. Overall the federal government will bear about 80-85 percent of the new costs, leaving states with a five year added cost of about $1.5 billion. In addition, a small number of states will see an overall reduction in their rate of reimbursement for child support enforcement as the administration plans to but a cap on reimbursement at 95 percent of costs. We are still awaiting additional information on the sources of the new federal spending.

The most likely concerns in the financial area include:

- The impact of extending five year deeming for sponsored immigrants to the AFDC and Food Stamp program (Individual states are attempting to assess the state specific impact of this proposal, although the Administration projects only a limited nationwide impact)
- The availability of sufficient funds to create subsidized public sector work for wages slots prior to the end of transitional assistance (Apparently JOBS money, unlike WORK funds, may not be used for this purpose)

There are a number of additional issues that Governors expressed a concern about that do not appear to be "make or break" concerns. These include whether or not the EITC should or should not be available to those in subsidized jobs (the legislation would not make it available).

It is my understanding that you are scheduled to meet on Wednesday, May 25 to review the status of the Administration's proposal and to determine whether you are comfortable with support of the principles, and what additional changes, if any, would be needed before such support. You may also want to discuss how NGA and/or individual Governors may want to respond to requests for comment on other bills as well.

Following that meeting your may want to consider:

- Individual calls from you to the other Governors on the Welfare Leadership Team to determine if they are comfortable with the strategy agreed upon in the conference call.
- Follow up with the Administration on any remaining issues that would be critical to support.
- Preparation and review of a preliminary draft statement for use upon release of the Administration's proposal.

Please let me know if you have questions or need any additional information.

ATTACHMENT 1

National Governors' Association
Summary of Major Welfare Reform Principles

The Administration's proposal appears to incorporate the following principles endorsed by the Governors in policy adopted at their 1993 Annual Meeting

Welfare as a Transition - "Welfare should be a transitional program that moves people from temporary assistance to self-sufficiency."

Time Limited Cash Assistance - "Assistance, in the form of cash grants, to families with children should be available for a time limited period...."

Assistance in Preparing for Work and Self-Sufficiency - During the time limited period "activities that are designed to make the transition from welfare to work take place. These activities should include education, training, and the support services necessary to help participants become self sufficient."

A Contract of Mutual Responsibility - "Welfare benefits should be based on a social contract that sets forth the responsibilities and obligations of both the recipients and government....Receipt of assistance during this period should be conditioned upon compliance with the social contract."

"States should be granted broad flexibility in defining the components of the social compact, including requirements to begin work before the maximum time is exhausted."

Assistance for Those Unable to Work - "The ongoing financial needs of children must be addressed in any time limited system."

"States should have the flexibility to extend assistance as needed, with full federal financial participation, for a limited period beyond the federal standard on a case-by-case basis in order to ensure that recipients complete education or job training programs, complete treatment for substance abuse or other physical or mental impairment, or resolve emergency situations such as homelessness."

Longer Term Assistance Based on Work - "Continued federal, state, county, and local assistance under the national program beyond the time limited period should depend on a requirement of work or work-related activities unless no job, community service work opportunity, or community service placement is available."

"The preferred means is through private, unsubsidized work in the business or nonprofit sectors. Other alternatives in order of priority, include unsubsidized public sector employment, subsidized jobs, grant diversion, working off the welfare grant, and volunteering in community service work"

"Community service opportunities should be developed and managed through the existing infrastructure at the federal, state, county, and local level."

<u>An Equitable Federal Role in Financing</u> - "The national program should be financed to ensure full federal funding of any mandates and should not result in new costs or a shift of federal costs to states, counties, and localities.

"The federal government must recognize its responsibility to provide for the long-term needs of children and of persons who are physically or mentally disabled."

"Efficiently managed programs require new technology and training. The federal government must maintain its level of investment in this necessary infrastructure in order to achieve welfare reform."

<u>Earned Income Tax</u> - "The earned Income Tax Credit (EITC) should be expanded over time so that with food stamps, a family of four with a full-time, year round worker will be brought to the poverty line."

"Administration of the EITC should be simplified, outreach and education to ensure full participation should be expanded, and worker choice regarding the frequency of payments should be preserved."

<u>Child Care</u> - "The federal government should formulate a child care financial support policy that applies to all Americans."

"In addition, the federal government should lift regulatory barriers and allow states the discretion to coordinate and combine child care assistance administratively into one program."

<u>State Flexibility</u> - "Allow states additional flexibility in the design of cash assistance programs through modifications of state plans rather than waivers....Allow various evaluation measures to be used in lieu of control groups."

<u>Support for Two Parent Families and Working Families Below the Poverty Line</u> - "Eliminate the 100-hour rule....extend eligibility to all families with children....expanding the earned income disregards."

<u>Child Support Enforcement</u> - Detailed statement generally calling for an increased federal role and improved interstate enforcement activity.

<u>Other Concerns Addressed in NGA Policy</u>

- Better Coordination Between AFDC and Food Stamps
- Expanded Services to Prevent Dependency
- Expanded Services to Support Families that Work

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E RECEIVED MAY 13 1994

May 13, 1994

MEMORANDUM

TO: Governor Carper
Governor Engler
FROM: Barry Van Lare
RE: Welfare Reform - Next Steps

This memorandum summarizes my understanding of the status of our welfare reform activities and suggests some next steps that you may wish to pursue as this stage of the process nears an end.

As your know, over the past year the states, working through the NGA have been consulting with the President's Working Group on Welfare Reform. The Working Group is nearing completion of its work and the President is expected to announce his legislative proposals within the month.

The President's proposals appear to be substantially responsive to the principles adopted by the Governors in Tulsa (see Attachment 1 for short summary) and to the concerns expressed by the states. As a result, the Administration is likely to turn to the NGA for support of the major program and reform principles included in his legislation and for support for an early Congressional markup based on that legislation.

While there are numerous other reform proposals that also incorporate some of the principles supported by NGA policy, it appears very unlikely that Congress will act unless the Governors and the Administration are in general agreement on the structure of reform. Therefore it is important to determine quickly whether the NGA will be able to respond positively to the Administration's request for broad support if at all possible and, if so, the nature of that response. Toward that objective, I would suggest the following:

- An early conference call between the two of you to review the status of the Administration's proposal and to determine whether you are comfortable with support of the principles, and what additional changes, if any, would be needed before such support.
- Individual calls from you to the other Governors on the Welfare Leadership Team to determine if they are comfortable with the strategy agreed upon in the conference call.
- Follow up with the Administration on any remaining issues that would be critical to endorsement.
- Preparation and review of a preliminary draft statement for use upon release of the Administration's proposal.

Assuming that the final legislation tracks our latest discussions with the Administration, the broad principles in the President's that appear compatible with NGA policy include:

- Welfare as a transition to self-sufficiency
- Special programs for those not yet ready for employment or training
- Time limited cash assistance, including education and training to help prepare for work
- Long term assistance based on work
- Improved child care and Earned Income Tax Credits for low income working families
- Enhanced interstate child support enforcement
- Expanded programs to encourage family stability and limit teen pregnancy
- Increased state flexibility in program design
- Improved coordination between AFDC and Food Stamps
- Enhanced federal financing, including lower matching rates

It is our further understanding that the Administration's proposal will address the following state concerns highlighted during the discussions with the President's Working Group.

- Option to defer a limited percent of additional recipients from the time limited program and to extend the time limit for a limited number of individuals to complete education or training programs
- Assurance that participants in the transitional program and WORK can be required to search for and accept work at any point
- Option, as in current JOBS program, to require participation in grant diversion or CWEP positions during the time limited program
- Option to include subsidized public and private jobs and community work experience as components of the WORK program
- No time limit on full federal reimbursement for recipients in WORK - does this refer to sanctions or limiting duration of WORK program
- Clearer requirements for federal agencies to coordinate their education and training programs and flexibility for Governors in developing state coordination mechanisms
- Option for the states to continue cash assistance beyond the two year limit to recipients who are working at least 20 hours per week in unsubsidized jobs
- Authority for the advanced payment of the EITC
- Option to extend assistance to two parent families
- Continuation of 1115 waiver authority
- Recognition that final implementation dates will need to reflect realistic lead time for systems development and state legislative action
- Recognition that performance targets must reflect achievable goals and provide exceptions for conditions such as high unemployment and natural disasters that we beyond the control of the states

Other issues that the Administration has yet to address include the following that were identified as concerns to a number of states. The legislation likely will still include:

?
- A mandate for changes in state law to improve in-state paternity and support enforcement

CORRECT
- The extension to AFDC, JOBS, and WORK day care the Child Care Development Block Grant requirement that family and informal force day care provider meet minimum state determined health and safety requirements, including training in health and safety issues

?
- No option for a state to place an absolute limit on the time that a recipient may remain in the overall program (transitional assistance plus WORK)

CORRECT
- No automatic extension of existing 1115 waivers (Administration argues that statutory changes would require a review and that changes might be financially advantageous to states)

In addition, while the Administration has provided general assurances that the level of funding will be sufficient to meet participation requirements and that neither the sources of federal funds nor financing and performance incentives will have an overall adverse impact on state finances, most states still believe that they need additional information to make certain that the overall financing of the bill is acceptable to the states. The Administration has scheduled a meeting with a representative group of state experts on Tuesday, May 17 to review these concerns. The outcome of that meeting will likely affect any comments that the NGA may wish to make on financing.

There are a number of additional issues that Governors expressed a concern about that do not appear to be "make or break" concerns. These include whether or not the EITC should or should not be available to those in subsidized jobs (the legislation would not make it available).

I will be in touch with your staff shortly to see if you are agreeable to an early conference call. As noted above, this call should focus on overall strategy and a determination as to how to proceed in regard to those issues that appear to be unresolved. If possible, it would be helpful for your staff and me to be included in that call.

Please let me know if you have questions or need additional information at this time.

ATTACHMENT 1

National Governors' Association
Summary of Major Welfare Reform Principles

The Administration's proposal appears to incorporate the following principles endorsed by the Governors in policy adopted at their 1993 Annual Meeting.

Welfare as a Transition - "Welfare should be a transitional program that moves people from temporary assistance to self-sufficiency."

Time Limited Cash Assistance - "Assistance, in the form of cash grants, to families with children should be available for a time limited period...."

Assistance in Preparing for Work and Self-Sufficiency - During the time limited period "activities that are designed to make the transition from welfare to work take place. These activities should include education, training, and the support services necessary to help participants become self sufficient."

A Contract of Mutual Responsibility - "Welfare benefits should be based on a social contract that sets forth the responsibilities and obligations of both the recipients and government....Receipt of assistance during this period should be conditioned upon compliance with the social contract."

"States should be granted broad flexibility in defining the components of the social compact, including requirements to begin work before the maximum time is exhausted."

Assistance for Those Unable to Work - "The ongoing financial needs of children must be addressed in any time limited system."

"States should have the flexibility to extend assistance as needed, with full federal financial participation, for a limited period beyond the federal standard on a case-by-case basis in order to ensure that recipients complete education or job training programs, complete treatment for substance abuse or other physical or mental impairment, or resolve emergency situations such as homelessness."

Longer Term Assistance Based on Work - "Continued federal, state, county, and local assistance under the national program beyond the time limited period should depend on a requirement of work or work-related activities unless no job, community service work opportunity, or community service placement is available."

"The preferred means is through private, unsubsidized work in the business or nonprofit sectors. Other alternatives in order of priority, include unsubsidized public sector employment, subsidized jobs, grant diversion, working off the welfare grant, and volunteering in community service work."

"Community service opportunities should be developed and managed through the existing infrastructure at the federal, state, county, and local level."

An Equitable Federal Role in Financing - "The national program should be financed to ensure full federal funding of any mandates and should not result in new costs or a shift of federal costs to states, counties, and localities.

"The federal government must recognize its responsibility to provide for the long-term needs of children and of persons who are physically or mentally disabled."

"Efficiently managed programs require new technology and training. The federal government must maintain its level of investment in this necessary infrastructure in order to achieve welfare reform."

Earned Income Tax - "The earned Income Tax Credit (EITC) should be expanded over time so that with food stamps, a family of four with a full-time, year round worker will be brought to the poverty line."

"Administration of the EITC should be simplified, outreach and education to ensure full participation should be expanded, and worker choice regarding the frequency of payments should be preserved."

Child Care - "The federal government should formulate a child care financial support policy that applies to all Americans."

"In addition, the federal government should lift regulatory barriers and allow states the discretion to coordinate and combine child care assistance administratively into one program."

State Flexibility - "Allow states additional flexibility in the design of cash assistance programs through modifications of state plans rather than waivers....Allow various evaluation measures to be used in lieu of control groups."

Support for Two Parent Families and Working Families Below the Poverty Line - "Eliminate the 100-hour rule....extend eligibility to all families with children....expanding the earned income disregards."

Child Support Enforcement - Detailed statement generally calling for an increased federal role and improved interstate enforcement activity.

Other Concerns Addressed in NGA Policy

- Better Coordination Between AFDC and Food Stamps
- Expanded Services to Prevent Dependency
- Expanded Services to Support Families that Work

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NGA response on welfare reform

June 14, 1994

Statement on President Clinton's Welfare Reform Proposal

The National Governors' Association supports the principles embodied by President Clinton's welfare reform proposal, which builds on lessons learned in state welfare initiatives. We believe that such state experimentation will continue to be critical to national progress in welfare reform. We also believe that comprehensive reform must be accompanied by a commitment to allow states to complete already approved demonstration projects.

The President's proposal builds on the 1988 Family Support Act and incorporates many of the reform principles endorsed by the Governors:

- Welfare as a transition to self-sufficiency
- Assistance for those not yet ready for employment or training
- Time-limited cash assistance, including education and training to help prepare for work
- Improved child care and Earned Income Tax Credits for low-income working families
- Enhanced interstate child support enforcement
- Expanded programs to encourage family stability and limit teen pregnancy
- Increased state flexibility in program design
- Improved coordination between Aid to Families With Dependent Children (AFDC) and Food Stamps
- Enhanced federal financing, including lower state matching rates

We believe welfare reform is an essential component in restoring responsibility and stability to the American family. The President's proposal is a positive contribution to the welfare reform debate and we particularly welcome its focus on incentives for work and time limits for cash assistance for those able to work.

The Administration consulted extensively with states and localities in developing the welfare reform proposal, and we commend the President and his Working Group on Welfare Reform for their commitment to an open consultation process. Like the Governors' policy, the President's proposal recognizes the importance of work as an alternative to welfare and includes numerous elements designed to enhance state ability to prepare and place recipients in work.

Throughout our discussions, the states have emphasized the importance of flexibility and continued innovation. There is no one-size-fits-all solution to welfare, and states must have the flexibility to develop programs and services that will address the unique characteristics of our welfare populations and economic conditions within our individual states. We applaud the President's efforts, within the framework of his plan, to afford states specific options to try different approaches without having to apply for waivers. These state options include making

work pay by expanding earned income disregards and providing advance payments of the Earned Income Tax Credit.

States have invested considerable time and effort in the development of experiments to test a variety of reform initiatives, including many approved by the administration. We must emphasize, however, the importance of allowing states to complete the welfare demonstrations currently underway through waivers and to look favorably on new waiver applications.

Welfare is a complex program. The fundamental changes sought by the President and the Governors will require the enactment of a law that clearly recognizes the balance between the federal role in defining basic policy objectives and the state and local role in crafting the procedures and processes needed to obtain those objectives. The NGA will work closely with the administration and the Congress to ensure that the balance is achieved. Final federal legislation must not become overly prescriptive or detailed.

It should be noted that NGA has not yet seen legislative language and that individual Governors may have additional comments on specific issues as that language becomes available for review.

Our policy does not address specifically the issue of financing. States are concerned, however, that cur program costs, such as the cost of assistance to immigrants without other resources, not be shifted to the states in order to pay for the federal share of welfare reform. We will be doing additional analysis of the financing mechanisms as details become available in order to determine the financial impact on states. We are concerned about any sanctions that would penalize states for failing to adopt mandated intrastate child support procedures or reduce the federal match for basic assistance, such as for failing to meet employment program performance standards. We believe there is a shared federal-state responsibility for providing basic benefits, and we are concerned about a precedent of this kind.

In summary we support the principles in the President's proposal. The Governors note that there are other proposals currently before the Congress that also incorporate a number of these principles and urge Congress to take advantage of this apparent momentum to enact welfare reform as quickly as possible that reflects the Governors' principles and addresses our concerns. We look forward to working with the Administration and Congress to this end.

Carroll Campbell

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Co-Chair
Welfare Reform Leadership Team

John Engler

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Governor response to welfare reform proposal

June 14, 1994

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The President's proposal builds on the 1988 Family Support Act and incorporates many of the reform principles endorsed by the Governors:

- Welfare as a transition to self-sufficiency
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The Administration consulted extensively with states and localities in developing the welfare reform proposal, and we commend the President and his Working Group on Welfare Reform for their commitment to an open consultation process. Like the Governors' policy, the President's proposal recognizes the importance of work as an alternative to welfare and includes numerous elements designed to enhance state ability to prepare and place recipients in work.

Throughout our discussions, the states have emphasized the importance of flexibility and continued innovation. There is no one-size-fits-all solution to welfare, and states must have the flexibility to develop programs and services that will address the unique characteristics of our welfare populations and economic conditions within our individual states. We applaud the President's efforts, within the framework of his plan, to afford states specific options to try different approaches without having to apply for waivers. These state options include making

work pay by expanding earned income disregards and providing advance payments of the Earned Income Tax Credit.

States have invested considerable time and effort in the development of experiments to test a variety of reform initiatives, including many approved by the administration. We must emphasize, however, the importance of allowing states to complete the welfare demonstrations currently underway through waivers and to look favorably on new waiver applications.

Welfare is a complex program. The fundamental changes sought by the President and the Governors will require the enactment of a law that clearly recognizes the balance between the federal role in defining basic policy objectives and the state and local role in crafting the procedures and processes needed to obtain those objectives. The NGA will work closely with the administration and the Congress to ensure that the balance is achieved. Final federal legislation must not become overly prescriptive or detailed.

It should be noted that NGA has not yet seen legislative language and that individual Governors may have additional comments on specific issues as that language becomes available for review.

Our policy does not address specifically the issue of financing. States are concerned, however, that current program costs, such as the cost of assistance to immigrants without other resources, not be shifted to the states in order to pay for the federal share of welfare reform. We will be doing additional analysis of the financing mechanisms as details become available in order to determine the financial impact on states. We are also concerned about any sanctions that would penalize states for failing to adopt mandated intrastate child support procedures or reduce the federal match for basic assistance, such as for failing to meet employment program performance standards. We believe there is a shared federal-state responsibility for providing basic benefits, and we are concerned about a precedent of this kind.

In summary we support the principles in the President's proposal. The Governors note that there are other proposals currently before the Congress that also incorporate a number of these principles and urge Congress to take advantage of this apparent momentum to enact welfare reform as quickly as possible that reflects the Governors' principles and addresses our concerns. We look forward to working with the Administration and Congress to this end.

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6-17
To: Kathi Way
From: Keith Mason

June 14, 1994

Statement on President Clinton's Welfare Reform Proposal

The National Governors' Association supports the principles embodied by President Clinton's welfare reform proposal, which builds on lessons learned in state welfare initiatives. We believe that such state experimentation will continue to be critical to national progress in welfare reform. We also believe that comprehensive reform must be accompanied by a commitment to allow states to complete already approved demonstration projects.

The President's proposal builds on the 1988 Family Support Act and incorporates many of the reform principles endorsed by the Governors:

- Welfare as a transition to self-sufficiency
- Assistance for those not yet ready for employment or training
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reform proposal, and we commend the President and his Working Group on Welfare Reform for their commitment to an open consultation process. Like the Governors' policy, the President's proposal recognizes the importance of work as an alternative to welfare and includes numerous elements designed to enhance state ability to prepare and place recipients in work.

Throughout our discussions, the states have emphasized the importance of flexibility and continued innovation. There is no one-size-fits-all solution to welfare, and states must have the flexibility to develop programs and services that will address the unique characteristics of welfare populations and economic conditions within our individual states. We applaud the President's efforts, within the framework of his plan, to afford states specific options to try different approaches without having to apply for waivers. These state options include making

work pay by expanding earned income disregards and providing advance payments of the Earned Income Tax Credit.

States have invested considerable time and effort in the development of experiments to test a variety of reform initiatives, including many approved by the administration. We must emphasize, however, the importance of allowing states to complete the welfare demonstrations currently underway through waivers and to look favorably on new waiver applications.

Welfare is a complex program. The fundamental changes sought by the President and the Governors will require the enactment of a law that clearly recognizes the balance between the federal role in defining basic policy objectives and the state and local role in crafting the procedures and processes needed to obtain those objectives. The NGA will work closely with the administration and the Congress to ensure that the balance is achieved. Final federal legislation must not become overly prescriptive or detailed.

It should be noted that NGA has not yet seen legislative language and that individual Governors may have additional comments on specific issues as that language becomes available for review.

Our policy does not address specifically the issue of financing. States are concerned, however, that current program costs, such as the cost of assistance to immigrants without other resources, not be shifted to the states in order to pay for the federal share of welfare reform. We will be doing additional analysis of the financing mechanisms as details become available in order to determine the financial impact on states. We are also concerned about any sanctions that would penalize states for failing to adopt mandated intrastate child support procedures or reduce the federal match for basic assistance, such as for failing to meet employment program performance standards. We believe there is a shared federal-state responsibility for providing basic benefits, and we are concerned about a precedent of this kind.

In summary we support the principles in the President's proposal. The Governors note that there are other proposals currently before the Congress that also incorporate a number of these principles and urge Congress to take advantage of this apparent momentum to enact welfare reform as quickly as possible that reflects the Governors' principles and addresses our concerns. We look forward to working with the Administration and Congress to this end.

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DGA Chairman Praises Clinton Welfare Reform Proposal

INDIANAPOLIS, June 14 - Democratic Governors' Association Chairman Evan Bayh today praised President Clinton for his leadership in proposing historic welfare reform legislation.

"As a candidate for President, Bill Clinton helped move welfare reform to the forefront of the national agenda. Now, as President, he is living up to his promise to 'end welfare as we know it," said Bayh, the second-term governor of Indiana.

The President has recognized that the nation's welfare reform efforts must "keep families together, emphasize the dignity of work and achieve self-sufficiency through personal responsibility," Bayh said.

As chairman of DGA, which includes the governors of 29 states, Bayh said he was grateful that the Clinton Administration had turned to governors and their staffs for consultation many times as the welfare reform proposal was drafted. Bayh said he is confident that Democratic governors will continue to have a role in the national debate as the Congress begins to act on the President's proposal.

Bayh said that Democratic governors across the nation have helped blaze the trial of welfare reform. Many of the ideas that Democratic governors have tried with success at the state level have been embraced by the President in his welfare reform initiative, said Bayh.

"In statehouses across the country, Democratic governors have found strong bipartisan support for dramatically altering welfare," said Bayh. "This bipartisan support reflects a growing consensus that public assistance brings with it obligations as well as benefits."

Bayh said he also was gratified that the administration proposal allows the states flexibility, within the national framework, to tailor welfare reform initiatives to meet each state's unique circumstances.

At the same time, Bayh said, the Clinton proposal endorses key principles that must be the cornerstone of any successful welfare reform effort. Those basic principles are that :

- Work must be more attractive than welfare.

(more)

- Each recipient must eventually be responsible for, and participate in, the process of self-sufficiency.
- Public assistance must be a temporary situation rather than a permanent way of life.
- Strong incentives must exist to ensure that individuals take advantage of job and training opportunities, accept personal responsibility and do not abuse the system.
- Families should be encouraged to stay together, not be driven apart.

STATE OF COLORADO

EXECUTIVE CHAMBERS
136 State Capitol
Denver, Colorado 80203-1792
Phone (303) 866-2471

Roy Romer
Governor

June 14, 1994

The Honorable William Clinton
The White House
1600 Pennsylvania Ave.
Washington, D.C. 21510

Dear Mr. President:

I want to add my strong support to your efforts to restructure our nation's welfare system. It is important that we change from the current system of writing checks to one focused on helping employable adults move rapidly into productive work and improving the long-term self-sufficiency of families.

Most families in Colorado leave the Aid to Families with Dependent Children (AFDC) program within one year. However, many of these families face barriers such as lack of health insurance, inadequate child care or low paying jobs that force them to return to AFDC. Welfare reform must recognize and address these underlying factors to provide real opportunities for self-sufficiency.

As you know, earlier this year, Colorado was granted a waiver by your administration to begin one of the nation's most stringent and innovative welfare reform programs. Under this pilot program, AFDC recipients who refuse to enter job training or to take a job will be permanently removed from welfare rolls after two years. In addition, participants will be given a cash amount to purchase food, rather than food stamps. I appreciate having the opportunity to move forward with these programs, which we hope will help Coloradans get off welfare and stay off it. We look forward to continuing to work with your administration to develop effective strategies for implementing welfare reform in Colorado and the nation.

I would also like to take this opportunity to share with you some of my concerns about welfare reform. First, I am concerned that welfare reform may present significant economic challenges to the states. I agree that long-term self-sufficiency efforts will require an investment of resources. However, Colorado, as many other states, is not in the position to implement new federal mandates without sufficient federal funding. States must be given enough flexibility to implement reform within the resources that are available.

Second, I am concerned that proposed reforms not assume that any type of job is better than no job. "Make-work" or jobs that will disappear when subsidies run out will not solve our real problems. In addition, if welfare recipients are perceived as taking jobs from others who are marginally employed, the reform effort may be seen as further impoverishing another group of citizens. Colorado is prepared to work with the administration to develop effective job development strategies.

Finally, I agree that personal responsibility for support of children is extremely important. A strong emphasis on child support enforcement will have a positive effect on children and family self-sufficiency. I am encouraged to see that some costs for these changes will be addressed with enhanced federal funding.

In conclusion, I am strongly committed to welfare reform and support your efforts to "end welfare as we know it." Thank you for the opportunity to participate in this important initiative and for your consideration of my concerns.

Sincerely,

Roy Romer

Roy Romer
Governor

RR:wkg

STATE OF DELAWARE
OFFICE OF THE GOVERNOR

NEWS

THOMAS R. CARPER
GOVERNOR
LEGISLATIVE HALL
DOVER, DELAWARE 19901
(302) 739-4101
(302) [illegible] 3210

FOR IMMEDIATE RELEASE
Tuesday, June 14, 1994

FOR FURTHER INFORMATION
CONTACT: Sheri L. Woodruff
(302) 739-4101 Dover
(302) 378-7800 Home
(302) 575-6800 Pager

GOVERNOR CARPER ISSUES STATEMENT PRAISING CLINTON ADMINISTRATION'S WELFARE REFORM PACKAGE

(Dover, Del.) -- Governor Thomas R. Carper today announced his strong support for the broad principles embodied in President Clinton's welfare reform package, expected to be unveiled later today in Kansas City, Missouri.

According to Carper, "I strongly support the principles am pleased to see that it closely [illegible] welfare reform package and implement here in Delaware. The people of Delaware and this country will be well-served by the Administration's proposed plan, in light of its emphasis on: encouraging individual responsibility by requiring clients to enter into mutually agreed-upon contracts that outline goals and expectations; expanding client participation in Job Opportunities and Basic Skills programs such as Delaware's nationally-acclaimed "First Step" initiative; and emphasizing 'work over welfare.' Just as important, the Clinton Administration plan provides additional funding and incentives to support the transition from welfare to work, including increased child care and added tools for states to improve child support collection."

-- more --

Carper continued, "President Clinton should be commended for his leadership and creativity in developing a reform plan that provides Americans with the opportunity to improve their lives and achieve self-sufficiency. Because the Administration consulted closely with governors and their program directors in developing this proposed package, the recognition that there is no 'one-size-fits-all' solution to this challenge will serve states well by allowing them to craft programs based upon the specific needs of their residents. This flexibility, illustrated by the President's inclusion of several state options within his plan, allows states more latitude than has previously been the case to solve their own problems and to address their particular challenges head-on."

Governor Carper is the Democratic co-chair of the National Governors' Association (NGA) Welfare Reform Leadership Team. The 12-member working group explores welfare reform policy and programming from around the country and is working to build bipartisan consensus around a national plan on behalf of the NGA.

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GOVPRESS 685

STATEMENT OF GOVERNOR ZELL MILLER OF GEORGIA
ON PRESIDENT'S WELFARE REFORM PROPOSAL

In 1992, candidate Bill Clinton promised to "end welfare as we know it." With the proposal announced today, President Clinton has moved to redeem this pledge, and has made welfare reform a top legislative priority for Congress.

As the Governor of a state which has led the nation in welfare reform, I welcome the President's proposal. It offers welfare recipients a clear path into productive work in the private sector, and it requires all Americans to play by the same rules and take personal responsibility for their lives.

I am especially pleased that the President has incorporated into his proposal so many of the reforms pioneered here in Georgia, including strong child support enforcement measures, a requirement that minor mothers on welfare remain at home, and the ability to limit payments for additional children without the complicated and burdensome process of securing a waiver from federal agencies.

The President's proposal should receive immediate attention in Congress.

EXECUTIVE CHAMBERS

HONOLULU

JOHN WAIHEE
GOVERNOR

June 14, 1994

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

I am writing to express my support for your proposal on welfare reform. The mood of the nation regarding the receipt of welfare benefits has shifted, thus necessitating new strategies to assist families to become self-sufficient. Your concept of a two-year limit is a bold proposal which will challenge both the families who receive Aid to Families with Dependent Children (AFDC) assistance as well as the states to strive even harder to assist families to become independent of public assistance. I applaud your courage to change a system that has gone unchanged for so many years. I also thank you for seeking the input and support of the Governors in drafting this sweeping reform. Your current proposal, to focus on teen parents and to help AFDC families to get changes that will not require them to return to the welfare rolls shows your broad-based concern for the factors that lead to dependence on government.

In the months ahead, as your proposal works its way through Congress, you can count on my support for your welfare reform plan. It is only by working together at the federal and state levels that we can have cohesive policies that will benefit the families of this nation.

Thank you for your thoughtfulness and hard work that has led to this reform proposal. America's families will be better off because of your vision which has been followed by timely action.

With kindest regards,

Sincerely,

JOHN WAIHEE

OFFICE OF THE GOVERNOR
STATE CAPITOL
BOISE 83720-1000

CECIL D. ANDRUS
GOVERNOR

(208) 334-2100

June 9, 1994

The Honorable William F. Clinton
President
The White House
Washington, D. C. 20510

Dear Mr. President:

Like you, I have observed the operation of the welfare system over many years and have concluded that, in most cases, it does not lift citizens up into a new, self-supporting way of life but only makes them slightly more comfortable in their poverty.

In reviewing your plan for welfare reform, it seems to me it is right on target in requiring recipients to regard it as only a temporary measure while they acquire the training and experience to become independent. Somewhere along the line, a program that was designed to help people face a temporary income shortfall has turned into the "dole," and your proposal makes the right course correction to turn it, instead, into a program designed to empower people and enable them to stand on their own.

I support your proposal and have instructed the Idaho Department of Health and Welfare to assist however it can to adapt the program to Idaho's needs and to cooperate fully in helping make it a reality.

With best wishes for success,

Sincerely,

Cecil D. Andrus

Cecil D. Andrus
Governor

CDA:cw

OFFICE OF THE GOVERNOR
INDIANAPOLIS, INDIANA 46204-2797

EVAN BAYH
GOVERNOR

For immediate release Wednesday, June 15, 1994

GOVERNOR BAYH ENDORSES CLINTON WELFARE REFORM

Indiana Governor Evan Bayh today praised President Clinton's welfare reform proposal as "the biggest step any President has taken toward meaningful welfare reform.

"President Clinton is keeping his promise to 'end welfare as we know it,' by recognizing the need to make work more attractive than welfare, establishing a two-year limit and a family cap," the governor said.

He noted that his own welfare reform plan for Indiana shares these same goals as the President's program.

"It is very important that meaningful welfare reform make work preferable to welfare, emphasize personal responsibility for self-sufficiency, and make clear that public assistance is temporary, not a way of life," the governor said.

"At the same time, as the President emphasizes, there must be strong incentives to take advantage of job and training opportunities and encouragement for families to stay together," he said. "The President's program has all of these, and I hope Congress acts quickly and positively."

For more information: Fred J. Nation 317-232-4578

COMMONWEALTH OF KENTUCKY

OFFICE OF THE GOVERNOR

BRERETON C. JONES
GOVERNOR

THE CAPITOL
700 CAPITAL AVENUE
FRANKFORT 40601
(502) 564-2611

June 13, 1994

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I want to thank you and congratulate you on your commitment to undertake welfare reform. As you know, we have discussed the need for meaningful welfare reform since the early days of your administration. I also want to thank you for giving other Kentucky officials the opportunity to participate in discussions with your office on this important subject. We feel that the partnership we are developing will allow both of us to accomplish our goals in this important area. Also, I am most impressed by your willingness to allow the states to exercise flexibility in coordinating their own initiatives in partnership with the federal government.

Please accept this letter as my endorsement of your efforts and my commitment to continue to work with you on these and other matters for which we share a common concern.

With best regards, I am

Sincerely,

Brereton Jones

Brereton C. Jones

/srb

State of Louisiana
Department of Social Services
OFFICE OF FAMILY SUPPORT
755 RIVERSIDE NORTH
P. O. BOX 94065 – PHONE – 504/342-3950
BATON ROUGE, LOUISIANA 70804-4065

EDWIN W. EDWARDS
GOVERNOR

GLORIA BRYANT-BANKS
MSW, ACSW, BCSW
SECRETARY

June 13, 1994

Welfare Reform Working Group
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20510

RE: Talking Points: Overall Plan,
State Issues: Financing, Flexibility,
and Waivers, Waivers

ATTN: Keith Mason

Dear Mr. Mason:

I agree in principle with the approach you are taking to these issues.

Sincerely,

Howard L Prejean

Howard L. Prejean
Assistant Secretary

HLP/cdp

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN ENGLER
GOVERNOR

FOR IMMEDIATE RELEASE
June 15, 1994

CONTACT: Chuck Pellar
(517) 373-7394

Governor Engler Comments on Clinton Welfare Plan

Michigan Governor John Engler today commented on President Clinton's welfare reform proposal.

"We support the principles embodied in this proposal because it builds on the lessons learned through the welfare initiatives of the individual states. Many of the concepts are similar to what we have been doing in Michigan for almost two years under To Strengthen Michigan Families: welfare should be a temporary transition to self-sufficiency; emphasis should be placed on the need for education and training leading to employment; more emphasis is needed in the area of child-support enforcement; and programs to encourage family stability should be expanded.

"Our reforms in Michigan are based on the value of work, strong families, and personal responsibility. Instead of increasing grants, we're increasing opportunities to earn money and become independent. Instead of paying people not to work, we're getting them to go to work."

"In Michigan, we are defining success by the number of people who are positively engaged in constructive activities and by how many get off the welfare rolls and onto payrolls. Success must be measured one worker, one parent, one family at a time -- as they find jobs, grow stronger, and reach independence."

"Flexibility allowing states to design their own programs is essential. This issue has been included in the discussions between the Clinton Administration and

(MORE)

the National Governors' Association, i.e., that the states must be allowed to complete already approved demonstration projects, and the states must be allowed to develop programs and services which address the unique characteristics of the population and economic conditions in each state. In this vein I support President Clintons commitment to approve waivers for the states.

"Many of the issues addressed by President Clinton's proposal are ongoing initiatives in Michigan. We have made several policy changes which 'Make Work Pay' and recipients have responded. The number of welfare recipients working in Michigan has increased from 15.7 percent (33,500) of the caseload in September 1992 to 24.3 percent (52,100) in May 1994. The national average is about 8 percent.

"In contrast to the national statistics, the AFDC caseload in Michigan decreased by almost 7,000 families in the past year (232,795 in April 1993 to 226,138 in April 1994).

"Michigan's commitment to the Social Contract is also paying dividends. DSS figures show that over 72 percent of those expected to participate are actively involved in employment, education, training, or community services.

"I have had the privilege of working closely with the administration in the development of this plan in my role as the Co-chair of the National Governors' Association Welfare Reform Leadership Team. I look forward to working with the Administration and Congress to enact welfare reform which reflects the NGA's principles and addressed our concerns."

-30-

STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

MARIO M. CUOMO
GOVERNOR

June 14, 1994

Mr. President:

I commend you for making welfare reform one of your Administration's top priorities and for tackling this complex and critical issue. Many of the themes and principles embodied in your proposal are consistent with New York's own welfare reform initiatives, and I support your efforts to promote the value of work, responsibility and self-sufficiency. I share your aim to make public assistance transitional, with its primary focus on jobs.

The program that you have outlined is certainly a laudable proposal for achieving our shared goals. Although there are certain fiscal and program issues of concern to New York, we plan to work with members of your Administration and the Congress to resolve them.

I look forward to working with you to address these matters and to meet the goal of reforming the welfare system.

Respectfully,

Mario M. Cuomo

The President
The White House
Washington, D.C. 20500

OFFICE OF GOVERNOR DAVID WALTERS
STATE OF OKLAHOMA
212 State Capitol • Oklahoma City, OK 73105

NEWS RELEASE

FOR IMMEDIATE RELEASE
Tuesday, June 14, 1994

CONTACT: Steve Hill
Press Secretary
(405) 523-4251

GOVERNOR WALTERS SUPPORTS CLINTON'S WELFARE REFORM PACKAGE

Washington, D.C. — Governor David Walters announced his support for President Clinton's welfare reform package that the President unveiled today in Kansas City, MO.

"I support the President's efforts to reform welfare. The State of Oklahoma has sought regulatory reform in the past to avoid unnecessary and duplicative federal intervention as we try new approaches to solving problems. If the President's plan is enacted, Oklahoma will be able to move forward with these changes," Governor Walters said.

In particular, the Governor said he "supports the President's principle of time-limited benefits, coupled with more education and training. Also, the principle allowing increased flexibility for the states in program design leaves behind a one-size-fits-all mentality that has inhibited state innovations. This will enable us to solve our own problems, different from those of most other states. Oklahoma currently has five welfare reform pilot test proposals around the state that we would like to see implemented."

"Just as important, the Clinton plan includes additional funding and incentives to support the transition from welfare to work. The funding also includes increased child care and the capabilities for our State to improve child support collection efforts," Walters said.

In conclusion, the Governor said, "welfare reform is an essential step to stabilizing the American family and to stabilizing government spending. President Clinton should be commended for his efforts."

# # #

BARBARA ROBERTS
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
SALEM, OREGON 97310-0370
TELEPHONE: (503) 378-3111
TDD (503) 378-4859

June 13, 1994

President William Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20005

Dear Mr. President:

I want to congratulate you and your administration for the leadership, courage and vision you have shown on welfare reform. National welfare reform will help give many Americans the tools the need to be self-sufficient, productive members of our society.

Oregon is already enacting many elements of welfare reform. Oregon welfare recipients participate in the JOBS program at twice the national rate. Each month, more than 900 families get off welfare and get jobs because they were given the job skills, child care and job placement they needed to succeed. Overall welfare caseloads have dropped 2.6% in the last year alone, compared to a national increase of 1.34%. Our JOBS Plus pilot project, still awaiting final federal waivers, will give some Oregonians on-the-job mentoring, child care and health care in lieu of traditional welfare.

Once again, Oregon's innovation is in prevention. Most welfare clients are teen mothers. I have made reducing the rate of teen pregnancy a top priority for the remainder of my term so that we can reach our state benchmark of cutting the rate in half by the year 2000. Oregon has also dramatically expanded health care coverage for low-income Oregonians, removing the need for welfare simply to have basic health care services.

Oregon is proud to serve as a model for welfare reform, as we have served for health care reform. We appreciate the support you and your administration have shown in allowing flexibility for states' individual health care innovations, and I look forward to working with you in the same productive way on welfare reform.

Thank you for your courage on this important public policy.

Sincerely,

Barbara Roberts

Barbara Roberts
Governor

S of Rhode

and Providence Plantations

Bruce Sundlun, Governor

State House,
Providence

June 13, 1994

President William Clinton
The White House
Washington, DC 20500

Dear President Clinton:

I applaud and support your leadership in the area of welfare reform.

I am personally appreciative of the consultation your Administration has provided to the nation's governors in the formulation of your welfare reform plan. In particular, I am in full agreement with the basic tenet of your comprehensive plan that reinforces the values of work, family, opportunity and responsibility.

Both welfare recipients and tax payers have become the victims of an inefficient system. Short sighted approaches to improve the welfare system in the past three decades have discouraged intact families and have promoted welfare dependency.

At the state level, increased numbers of children born to welfare families are living in poverty. While creative programs promoting economic independence are abundant, a cohesive and encompassing national policy is needed to solve a societal problem of this magnitude.

I have introduced a welfare reform bill that mirrors your plan's philosophy. My proposal emphasizes that work is valued by making work pay. It stresses that both parents are responsible to support their children and that parents should not have children until they are ready and able to raise them. I am heartened that the plan you have formulated is consistent with our goal of assisting people gain self-sufficiency.

The President
June 13, 1994
Page 2

I fully support your welfare reform plan and strongly urge the Congress to enact it this year. It is about time that our welfare system is designed to benefit the welfare of all citizens of this country.

Best personal wishes.

Sincerely,

BS:la
0021P.11

State of Tennessee

NED McWHERTER
GOVERNOR

June 13, 1994

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President:

I strongly support your call for Welfare Reform. If there is anything program recipients and taxpayers alike can agree on it's that the present system is greatly in need of reform.

Your plan to build on the successful Family Support Act of 1988 is noteworthy because it permits us to expand our JOBSWORK program, which has been the stimulus for nearly 14,000 Tennessee AFDC families going to work in the past five years.

In addition to the continued emphasis on employment and training, as well as the necessary support for that effort, your plan also renews the call for stronger parental commitment through the regular payment of child support. In doing so, you have placed important emphasis on two elements central to our families gaining self-sufficiency: Work and Child Support.

I applaud your effort, and I am committed to work with you on this vital undertaking.

Sincerely,

Ned McWherter

Ned McWherter

NRW:pgh

STATE OF WASHINGTON

OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (206) 753-6780

June 13, 1994

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20503

Dear President Clinton:

I am writing to comment on your administration's proposal for welfare reform. I understand the complex challenge you face in attempting to initiate real change to the current welfare system. I am pleased that you have opened the dialogue and discussion to representatives from states. This state has already responded in detail to Deputy Assistant Keith Mason on this proposal.

As you may be aware, Washington State has been grappling with welfare reform for several years. Legislation was passed in 1993, and again this year that stresses welfare as a temporary measure. Many of the reforms that have been developed at the state level, however, apply to federally funded programs and require changes at the federal level before they can be implemented.

Of the many provisions detailed in your Welfare Reform Issue Paper, the simplification and conformity of application processing for the Food Stamp and AFDC programs is of paramount importance. The efficiencies resulting from this will help to shift resources to achieve the goals of the entire proposal.

I am pleased that welfare reform is focusing on the JOBS program. I believe we can make a difference in peoples lives by offering a mix of services that provides appropriate education, skills training, child care and work experience to help AFDC recipients become self-sufficient.

This state vigorously supports removing the "100-hour rule" limitation. We are currently in the process of seeking a Title IV-A State Plan amendment and associated federal approvals to comply with new state legislation. We need your support on this issue.

There are some areas of the proposal with which we have concerns, one of which is the two year eligibility time limit. Without a safety net, this will increase homelessness and child welfare caseloads. Washington has adopted legislation that reduces assistance in a graduated manner after four years.

While we support parents having responsibility for minor mothers, the possibility of abusive situations leads us to recommend the alternative of establishing protective payees. We also oppose making states fully responsible for benefits paid when paternity has not been established after one year. And while we strongly endorse the intent to enhance and simplify the federal match rate for states, we believe this will not produce the desired effect. Many states will have difficulty finding additional state funds to draw-down the federal dollars.

Finally, adequate funding must be available to provide the support needed for those moving towards self-sufficiency. Without considerable financial commitment by the federal government, true and lasting reform will not occur.

I look forward to working in partnership with you and the other states to resolve concerns and uncertainties about welfare reform. A continuing dialogue with states is crucial if positive, long-term changes are to take place.

Sincerely,

Mike Lowry

MIKE LOWRY
Governor

STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

June 14, 1994

GASTON CAPERTON
GOVERNOR

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

As you prepare to announce your welfare reform package, I want to thank you for giving governors and their representatives the opportunity to work closely with your Administration in developing this proposed legislation. The Administration is to be commended for involving the states in direct consultation on such an important issue.

I also commend you for your leadership in undertaking such a difficult task. Our welfare system must be changed to provide a helping hand to our nation's most needy citizens, without creating dependence on welfare as an alternative to self-sustaining opportunities. I am especially encouraged by the importance you are placing on the principles of work and responsibility, and I encourage you to continue to allow the states the necessary flexibility to provide those services in the most appropriate way for their citizens.

You certainly have my support and encouragement as you undertake this difficult task. I look forward to working with your Administration in the months ahead to help make the necessary improvements in providing support for the children and families of West Virginia and our country.

Sincerely,

Gaston Caperton

Gaston Caperton
Governor

GC:ss

For Liz Ryan

NATIONAL GOVERNORS' ASSOCIATION

Carroll A. Campbell Jr.
Governor of South Carolina
Chairman

Howard Dean
Governor of Vermont
Vice Chairman

Raymond C. Scheppach
Executive Director

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1512
Telephone (202) 624-5300

~~CONFIDENTIAL~~

Copy for Calmes

May 13, 1994

2013-0854-S
DETERMINED TO BE AN
ADMINISTRATIVE MARKING
INITIALS: MA DATE: 7/1/13

MEMORANDUM

TO: Governor Carper
Governor Engler
FROM: Barry Van Lare
RE: Welfare Reform ~~Next~~ Steps

This memorandum summarizes my understanding of the status of our welfare reform activities and suggests some next steps that you may wish to pursue as this stage of the process nears an end.

As your know, over the past year the states, working through the NGA have been consulting with the President's Working Group on Welfare Reform. The Working Group is nearing completion of its work and the President is expected to announce his legislative proposals within the month.

The President's proposals appear to be substantially responsive to the principles adopted by the Governors in Tulsa (see Attachment 1 for short summary) and to the concerns expressed by the states. As a result, the Administration is likely to turn to the NGA for support of the major program and reform principles included in his legislation and for support for an early Congressional markup based on that legislation.

While there are numerous other reform proposals that also incorporate some of the principles supported by NGA policy, it appears very unlikely that Congress will act unless the Governors and the Administration are in general agreement on the structure of reform. Therefore it is important to determine quickly whether the NGA will be able to respond positively to the Administration's request for broad support if at all possible and, if so, the nature of that response. Toward that objective, I would suggest the following:

- An early conference call between the two of you to review the status of the Administration's proposal and to determine whether you are comfortable with support of the principles, and what additional changes, if any, would be needed before such support.
- Individual calls from you to the other Governors on the Welfare Leadership Team to determine if they are comfortable with the strategy agreed upon in the conference call.
- Follow up with the Administration on any remaining issues that would be critical to endorsement.
- Preparation and review of a preliminary draft statement for use upon release of the Administration's proposal.

Assuming that the final legislation tracks our latest discussions with the Administration, the broad principles in the President's that appear compatible with NGA policy include:

- Welfare as a transition to self-sufficiency
- Special programs for those not yet ready for employment or training
- Time limited cash assistance, including education and training to help prepare for work
- Long term assistance based on work
- Improved child care and Earned Income Tax Credits for low income working families
- Enhanced interstate child support enforcement
- Expanded programs to encourage family stability and limit teen pregnancy
- Increased state flexibility in program design
- Improved coordination between AFDC and Food Stamps
- Enhanced federal financing, including lower matching rates

It is our further understanding that the Administration's proposal will address the following state concerns highlighted during the discussions with the President's Working Group.

- Option to defer a limited percent of additional recipients from the time limited program and to extend the time limit for a limited number of individuals to complete education or training programs
- Assurance that participants in the transitional program and WORK can be required to search for and accept work at any point
- Option, as in current JOBS program, to require participation in grant diversion or CWEP positions during the time limited program
- Option to include subsidized public and private jobs and community work experience as components of the WORK program
- No time limit on full federal reimbursement for recipients in WORK
- Clearer requirements for federal agencies to coordinate their education and training programs and flexibility for Governors in developing state coordination mechanisms
- Option for the states to continue cash assistance beyond the two year limit to recipients who are working at least 20 hours per week in unsubsidized jobs
- Authority for the advanced payment of the EITC
- Option to extend assistance to two parent families
- Continuation of 1115 waiver authority
- Recognition of that final implementation dates will need to reflect realistic lead time for systems development and state legislative action
- Recognition that performance targets must reflect achievable goals and provide exceptions for conditions such as high unemployment and natural disasters that we beyond the control of the states

Other issues that the Administration has yet to address include the following that were identified as concerns to a number of states. The legislation likely will still include:

- A mandate for changes in state law to improve in-state paternity and support enforcement
- The extension to AFDC, JOBS, and WORK day care the Child Care Development Block Grant requirement that family and informal force day care provider meet minimum state determined health and safety requirements, including training in health and safety issues
- No option for a state to place an absolute limit on the time that a recipient may remain in the overall program (transitional assistance plus WORK)
- No automatic extension of existing 1115 waivers (Administration argues that statutory changes would require a review and that changes might be financially advantageous to states)

In addition, while the Administration has provided general assurances that the level of funding will be sufficient to meet participation requirements and that neither the sources of federal funds nor financing and performance incentives will have an overall adverse impact on state finances, most states still believe that they need additional information to make certain that the overall financing of the bill is acceptable to the states. The Administration has scheduled a meeting with a representative group of state experts on Tuesday, May 17 to review these concerns. The outcome of that meeting will likely affect any comments that the NGA may wish to make on financing.

There are a number of additional issues that Governors expressed a concern about that do not appear to be "make or break" concerns. These include whether or not the EITC should or should not be available to those in subsidized jobs (the legislation would not make it available).

I will be in touch with your staff shortly to see if you are agreeable to an early conference call. As noted above, this call should focus on overall strategy and a determination as to how to proceed in regard to those issues that appear to be unresolved. If possible, it would be helpful for your staff and me to be included in that call.

Please let me know if you have questions or need additional information at this time.

ATTACHMENT 1

National Governors' Association
Summary of Major Welfare Reform Principles

The Administration's proposal appears to incorporate the following principles endorsed by the Governors in policy adopted at their 1993 Annual Meeting.

Welfare as a Transition - "Welfare should be a transitional program that moves people from temporary assistance to self-sufficiency."

Time Limited Cash Assistance - "Assistance, in the form of cash grants, to families with children should be available for a time limited period...."

Assistance in Preparing for Work and Self-Sufficiency - During the time limited period "activities that are designed to make the transition from welfare to work take place. These activities should include education, training, and the support services necessary to help participants become self sufficient."

A Contract of Mutual Responsibility - "Welfare benefits should be based on a social contract that sets forth the responsibilities and obligations of both the recipients and government....Receipt of assistance during this period should be conditioned upon compliance with the social contract."

"States should be granted broad flexibility in defining the components of the social compact, including requirements to begin work before the maximum time is exhausted."

Assistance for Those Unable to Work - "The ongoing financial needs of children must be addressed in any time limited system."

"States should have the flexibility to extend assistance as needed, with full federal financial participation, for a limited period beyond the federal standard on a case-by-case basis in order to ensure that recipients complete education or job training programs, complete treatment for substance abuse or other physical or mental impairment, or resolve emergency situations such as homelessness."

Longer Term Assistance Based on Work - "Continued federal, state, county, and local assistance under the national program beyond the time limited period should depend on a requirement of work or work-related activities unless no job, community service work opportunity, or community service placement is available."

"The preferred means is through private, unsubsidized work in the business or nonprofit sectors. Other alternatives in order of priority, include unsubsidized public sector employment, subsidized jobs, grant diversion, working off the welfare grant, and volunteering in community service work."

"Community service opportunities should be developed and managed through the existing infrastructure at the federal, state, county, and local level."

An Equitable Federal Role in Financing - "The national program should be financed to ensure full federal funding of any mandates and should not result in new costs or a shift of federal costs to states, counties, and localities.

"The federal government must recognize its responsibility to provide for the long-term needs of children and of persons who are physically or mentally disabled."

"Efficiently managed programs require new technology and training. The federal government must maintain its level of investment in this necessary infrastructure in order to achieve welfare reform."

Earned Income Tax - "The earned Income Tax Credit (EITC) should be expanded over time so that with food stamps, a family of four with a full-time, year round worker will be brought to the poverty line."

"Administration of the EITC should be simplified, outreach and education to ensure full participation should be expanded, and worker choice regarding the frequency of payments should be preserved."

Child Care - "The federal government should formulate a child care financial support policy that applies to all Americans."

"In addition, the federal government should lift regulatory barriers and allow states the discretion to coordinate and combine child care assistance administratively into one program."

State Flexibility - "Allow states additional flexibility in the design of cash assistance programs through modifications of state plans rather than waivers....Allow various evaluation measures to be used in lieu of control groups."

Support for Two Parent Families and Working Families Below the Poverty Line - "Eliminate the 100-hour rule....extend eligibility to all families with children....expanding the earned income disregards."

Child Support Enforcement - Detailed statement generally calling for an increased federal role and improved interstate enforcement activity.

Other Concerns Addressed in NGA Policy

- Better Coordination Between AFDC and Food Stamps
- Expanded Services to Prevent Dependency
- Expanded Services to Support Families that Work

ALL ANSWERS ARE TO BE CONSIDERED STRICTLY CONFIDENTIAL

1) Transitional Assistance -- The new time limited program would require all states to enroll income eligible families with a parent born after 1972 two years after enactment. Is this target group acceptable?

Yes -- 24
No -- 07
Didn't vote, w/comments -- 02
Didn't vote, w/o comments --00
Checked both 'yes' & 'no' -- 01

Yes
o It depends on how enrollment is defined and on how it is financed.
o No federal mandate without sufficient federal funding. This target group is acceptable provided there is adequate federal funding to cover 100% of expanded costs. We are opposed to federal mandates for service employment without federal funding.
o Program expansion at state option.
o Maintain state option to phase-in additional families
o Our state is not opposed to the provision requiring all states to enroll income eligible families with a parent born after 1972 two years after enactment. Based on recent state legislation, our legislature will be requesting a waiver to administer a time-limited AFDC benefit program which will be more restrictive than the current Administration's proposal. In addition, allowing the states the option of including additional target groups is also suggested.
o Yes, if there are enough resources to serve them. In FY97, caretakers born after 1972 will be equal to approximately 40% of the caseload in our state, or 15-16,000 individuals per month. Currently JOBS serves approximately 7,000 (monthly.) New JOBS cases would require new resources; e.g. training, case management, child care, transportation, etc.
o Yes, it would be very difficult to implement all at once for everyone. Focus should be on the younger parents to prevent long term dependency.
o This population is a little less than 30% of the AFDC caseload. Targeting a segment of the population and having people age-in seems very logical. Strategies and needs assessment can be better targeted than going with new applicants with a wide mix of groups.
o If it is intended that all AFDC recipients eventually be included in the time-limited program, a plan needs to be developed to add other income eligible families incrementally.
o As long as there is substantial increase in funding to match the requirements.
o While this cohort will produce long-term savings, it needs to be recognized that these clients are the most expensive because child care needs for infants and preschool children are highest in this age cohort. Increase match rates for child care; allow state option to include clients from other cohorts where child care or adequate funding is not available.

PAGE TWO

o Acceptable, in the sense that if a reform must be phased in this manner, this is a good group with which to start.
o If states must begin with a target group, this is acceptable.
o Provided that states have flexibility to phase in other target groups with potential to succeed, e.g. other recipients born before 1972.
o It is effective to target young AFDC families, but there is concern as to how regular JOBS target group requirements and participation rates will be impacted.

No

o There should be state flexibility on target groups. Note this raises questions about equitable treatment for similarly situated families.
o A more realistic approach would allow the states to target a percentage of caseload based upon geographic and economic parameters to control the size of the eligible group and to provide services to the most appropriate needy AFDC clients.
o The majority of recipients would be unaffected because of the phase-in.
o We believe that all recipients of AFDC should be enrolled in a training, education, or work opportunity as a condition of receipt of benefits. There should be no time limit unless jobs are available.
o Require parents born after 1968 to enroll in time-limited program.
o Why would parents born before 1972 be excluded? For any large number of participants, from where do the "work" jobs come?
o Prefer that all eligible income families with parents be subject to time limits with the exception of the disabled or parents caring for disabled.

Yes and No

o The target group is acceptable, though we have read it as those born after 1971. The time frame is not acceptable. We need promulgated regulations to have the detail and decisions necessary and these are often delayed. Two years form issuance of promulgated regulations is sufficient.

Didn't vote, w/comments
o We are in the process of analyzing this approach. At a minimum, states should have the flexibility to phase-in the population as it's finally defined, beginning two years after publication of final regulations or after the enactment if states are held harmless for differences between actual implementation and final regulations.
o We have had target groups before, starting with the WIN program and now the JOBS program. If we are to transform welfare as we know it, every financial assistance applicant/recipient needs to participate in activities leading towards employment. We should be allowed to phase this in on a geographical basis.
o We serve 1/3 of the mandatory eligibles to his point. And the groups grows every month. Serving everyone in a two-year period would require extra resources.

2) JOBS -- The Administration would target this transitional assistance program on younger AFDC parents. All young parents who are not working or in JOBS-Prep would be expected to go into an expanded work-focused JOBS program until they get a job, or their time limit expires. The Administration projects that there would be 740,000 JOBS participants in FY1997, increasing to 770,000 in FY 1999 (assuming enactment in 1994 with a two year phase-in period.) The current JOBS program serves less than 500,000 participants. Can you project what additional level of JOBS funding your state would need (assuming the current match rate) to fully implement this expanded JOBS program?

Yes -- 14
No -- 12
Didn't vote, w/comments-- 08
Didn't vote, w/o comments-- 00

Yes

o We are already expanding our JOBS program under welfare reform waivers and this target group is among those who will be served.
o State cannot afford additional match. Yes, we could project an estimate of additional costs.
o To fully implement an expanded JOBS Program, this state would need approximately $7 million, of which $3,763,00 would be federal funds. This projection does not take into consideration the increased intensity of effort that may be needed to serve younger parents.
o Estimate a 50% increase in the JOBS funding level to handle additional cases
o It will likely cost another $100 m. Unless the federal matching rate is 90% or 100% state level appropriation is not available to expand the program.
o A doubling of JOBS funding would enable us to implement the proposed expanded, JOBS program. In addition, the funding would enable us to move towards requiring all AFDC recipients to participate in appropriate self sufficiency activities as presently provided for under the Single Parent Employment Demonstration.
o Given sufficient time, it will be possible to estimate caseload sizes and levels of funding. There are currently approximately 40,000 open cases in the JOBS program, at a cost of $26 m. It is important to ensure that sufficient child care funds are available to serve this population. The targeted group are clients 22 years old and under, with the assumption that their children are younger children with greater child care needs.
o Based upon limited information available, we project a total cost of $114 million including $80.9 million of state funds. Elimination of the cap would result in federal match of $72. 1 million rather than the $33.1 projected.
o Our state's share of the new JOBS slots would approximately 10,000. We estimate the total cost of funding the new slots at $11.3 million ($5.6 federal, $5.7 state).

o Current funding level is $27.0 million. An additional $17.5 million would be required. That amount includes $2.9 million to compensate for current overmatch by our state.
o Implementation would double our state's JOBS caseload and would take an additional 2.5 million to expand the program.

No
o We cannot project costs with the information we currently have.
o There are an extraordinary number of variables here. Not only the number of participants, but overall program design, number of sanctions, and support service costs to name a few.
o Do not have data available on the number of new or re-applicants that are under 22. Also the dollar need is directly impacted by the type of services to be provided. A larger demand on child care would be a result and have to be considered.
o Additional analysis of caseload demographics is required.
o Our state would need approximately a total of $17.4 million ($15 m state and $2.4 m federal) to serve 100% of the mandatory population, using the current definition of a mandatory participant. Increased federal funding including an enhanced match rate is necessary to serve participants in the expanded program. States have difficulty in maximizing federal funds under the current federal match rate and cap. Expanded federal funding alone does not alleviate the state's ability to obtain sufficient state funds to maximize federal funds and serve all participants.
o The new program will require greater infrastructure, more publicly subsidized slots, lower caseloads & higher administrative capacity. For smaller states the cost per client is higher and must be factored in.
o Our current appropriation serves 3,000 families at any given time. Another $1 billion would allow the same number of clients to be served at a time, but the expanded program would require more clients to be served especially if the age of the child is dropped to age 1.
o The JOBS funding our state would need is $299.1 m. This cost assumes that every AFDC recipient age 26 and under is mandatory. However, given the current ratio of mandatory participants to the total population, the cost would be reduced too$169.3 m before 1972 who are in JOBS or are self initiated or required supportive services.
o Not enough information to project.

Didn't vote, w/comments
o Currently this state is serving 6850 JOBS participants. We would be serving 23,400 in JOBS if total participation were required. Although we would be serving 3.4 times as many people, the cost is difficult to predict because support service requirements are unclear.
o Extremely difficult to project at this point. Would suggest approximately 35m to 50m.
o We are reviewing the implications of this approach in our state. But it is clear that a higher match rate would be necessary.

o There are too many unknown variables. 740,000 appears to be low, unless all current JOBS resources are redirected to the target population. It would be unfair, and perhaps discriminatory to exclude people over a certain age from any available employment and training programs. Rough estimates of job services for additional 16-18,000 recipients could be as much as $40 million not including health care or as payments.
o It's very difficult to project this, but we think we would need at least twice as much as we are now authorized.
o JTPA is the primary funding source for JOBS skill training; these funds are declining, particularly for younger clients and cannot be relied upon for the broader/expanded group.
o Data is being collected to project the size of this population, the state funding required, and the federal funding required.
o If by "expanded work-focused JOBS program" we mean JOBS-Prep, JOBS and WORK Program, our state would project @ 4840 to be in JOBS-Prep, 6900 additional caretakers in JOBS and @ 8,700 in the WORK program. The current JOBS program in our state is serving @ 10,800 AFDC caretakers or 88% of the AFDC caretakers who are 24 years old and younger. Based on current values, the costs for JOBS-Prep, additional JOBS and WORK program would be $1,210,000, $40,830,000 and 37,428,900 respectively. Since the Work Program will be implemented in year three of the program, the additional level of funding per year in the first two years of the program would be $42,040,000 for JOBS-Prep and additional JOBS recipients. The federal share would be 24,803,600 at 59% FFP rate and the state share would be $17,736,400. Third year and later funding will need to be increased by $37,582,249 (federal share -$22,173,526) to phase in the WORK program for those who reach the 24 month time limit and are unemployed. In projecting the cost of the WORK program, we assumed that our state's WORK program would consist of work-for-wages, community work experience and volunteer services. Bottom lines: @ $42 million (federal + state) in its initial phase and @ $79.5 million (federal + state) with the WORK program. Day Care costs are included in the above projections.
o We can project, but don't have current figure.

3) JOBS -- Currently, the JOBS program is authorized at $1 billion per year and serves about 16 percent of the eligible population. One proposal would authorize an additional $1 billion per year for the JOBS program. Is this a sufficient level of funding to serve the participants in the expanded program?

Yes - - 12
No -- 16
Didn't vote, w/comments -- 06
Didn't vote, w/o comments-- 00

PAGE SIX

Yes

o Would be sufficient but may not be sufficient for other states if given the opportunity to expand those served

o Assuming that these funds are for the JOBS program only, not the JOBS-prep, other work programs, or child day care. The funding level would also be dependent upon the intensity of service needed to serve this younger population.

o The level of funding would need to cover the expected increase in the number of participants as well as the increased costs resulting from expanded services.

o Should be adequate if state match is available.

o Even if federal money would be available, the concern would be the required level of state match already a problem currently for some states. Also, other expenditure requirements such as 55% on target groups would have to be done away with.

o We request that states implement universal participation be permitted to draw down additional JOBS funding.

o An additional $1 billion could probably serve most of the expanded population. It depends on the number that would be deferred to JOBS-prep and on the number of services needed by the new JOBS population. However, the program would require an additional appropriation of state funds for matching this JOBS component as well as JOBS-PREP, child care, etc.

o It looks like this might be sufficient.

No

o Need more funding for a larger target group

o One of our state's problems in serving another mandated group in a rigidly specified time frame is raising the state funds to draw down federal funds. The match ratio for JOBS funds should be changed 90/10 and states should be able to transfer AFDC funds to the JOBS program as the caseload decreases.

o We agree that $1 billion is a good place to start. Since many states have not been able to supply the match necessary to draw-down available funds, however, adding money without reducing the necessary match will not improve many state's positions. In this state, while we have been able to draw down the IV-F money available to us so far, it is uncertain whether we would be able to double our expenditure. Lifting the cap and increasing the federal match will better position states to implement the new federal program.

o This may be enough for this first year, but will not be in subsequent years. Also a higher federal matching rate is needed and that will require an increased federal appropriation.

o Probably not. The more persons served, the more employment barriers that will be found, the higher the support service costs. Program design becomes, e.g. are current dollars retargeted from some education/training activities to a shorter "work attachment" model?

o Increased federal funding including an enhanced match rate is necessary to serve participants in the expanded program. States have difficulty in maximizing federal funds under the current federal match rate and cap. Expanded federal funding alone does not alleviate the state's ability to obtain sufficient state funds to maximize federal funds and serve all participants.
o Administrative capacity is a serious issue. The youngest segment of the population requires more intensive case management; resources to provide transitional program services for an additional 30% of the population must be developed; imposing a time limit makes it critical for states to provide necessary supportive services, such as drug treatment or mental health counseling, which may have been previously unfunded.
o Eligible population is now very narrowly defined (55% of the caseload.) Initiative will both drastically increase clients to be served and will not let us rely as we currently do on the mandatory JOBS population whose children do not need child care.
o Assuming no change in the match rate and distribution formula, this would more than double our state's current investment of not only state match dollars but also 100% state dollars currently invested above the match.
o Not with the current federal match rate system which requires a certain level of state funding. Because of budget limitations imposed by the State Legislature, we would not be able to draw down our full allotment even with an increase in funding.
o With current fiscal constraints, it is anticipated that sufficient State appropriations would not be available. State match requirements must be reduced or States will not be able to draw down additional Federal dollars.

<u>Didn't vote, w/comment</u>
o We are reviewing the implications of this approach for the JOBS program in our state. But it is clear that a higher match rate would be necessary.
o Unable to determine at this time. If the intention is to require participation of all clients eventually this would not be sufficient.
o Consideration should be given to coordination of funding with existing programs; this proposal has failed to engage other providers/systems in the discussions.
o The distribution of funding per state is more critical to determine if there is a sufficient level of funding.
o It is difficult to project what an additional $1 billion dollars would accomplish nationwide, and therefore difficult to project if the funding level would be sufficient for our state.

4) JOBS-PREP -- The Administration proposes to defer some otherwise eligible families from the time limit in the transitional program and assign them instead to the JOBS-prep program. What approach would you support?

	Single Answer	Included in a Combination Answer	Total
1 No deferments	02	01	03
2 Specify categories	13	10	23
3 Allow %exemption	06	09	15

Breakdown
05--00
10--02
15--02
20--03
25--05
other --01
%unspecified--02

	Single Answer	Included in a Combination Answer	Total
4 Require min. %	01	05	06

Breakdown
75--04
80--00
85--00
90--01
other--01 (1 responded 50-75)

Combination answers --

Survey #	Answers
02	2,3 (10),4 (90), no comments
05	1,2, comments
08	2, 3 (20), 4 (75), no comments
10	2, 3 (15), comments
15	2, 3, comments
19	2, 3 (25), 4 (50-75), comments
26	2, 3 (25), 4 (75), no comments
28	2, 3 (25), 4 (75), comments
32	2, 3 (15), comments
34	2, 3 (25), comments

Didn't vote, w/comments -- 02

No deferments

o Whether JOBS-prep or transitional, every participant should be expected to do something which should be set forth in an agreement of mutual understanding.
o You cannot judge on the front end, who is job ready and who is not.
o Phase in all recipients over next 4 years. Everyone can do something. This state is proposing legislation requiring all AFDC recipients to participate in a JOBS program with more components authorizing the Department of Human Services to apply for a federal waiver.

Specify category, plus exempt %

o It is important for the percentage to be high enough to adequately reflect the nature of our population. In this state, as in other states that have large urban centers, we have a high proportion of special needs, hard-to-serve clients. Our exempt population must not be compared to other states without similar clients.
o Additional percentage of 15-20% (primarily due to jobs not being available.
o The additional percentage of the caseload could accommodate those in an educational setting (that would exceed two years) for the purposes of becoming employable.
o States should always have the option to exempt some clients even if a minimum percentage of the caseload is required as a performance measure.
o At state discretion, the JOBS Prep Program could include the temporarily incapacitated, those with a history of substance abuse, caretakers of disabled adults or children, or caretakers of children under the age of one.
o Keep exemptions to a limit, especially caring for an infant. We would not want having additional children to become a means of avoiding the time limit. Perhaps children under six months would be better.
o Establishing specific deferrals implies that the deferral is considered to be temporary and will be reviewed when the situation is expected to change.
o Plus is a key word in this approach thereby, not tying the exempt group to the separately allowed percentage and thereby providing states more flexibility and control.
o All able-bodied recipients (except those caring for disabled person or newborn) should be required to obtain job and work.
o Specify categories of individuals, such as disabled adults or those caring for a disabled child, or infant under the age of one, plus allowing states to except an additional percentage of the caseload.

Allow %

o JOBS-PREP appears to be no different than the current JOBS program -- it provides services with no time limits.
o (20%) This would allow the states the flexibility to address specific groups within the state.

o (10%) I believe that 10% or fewer of the adults would actually be unable to work (given sufficient support services, e.g. barrier removal, A & D treatment; child care, medical, transportation.) However, this presupposes sufficient funding to deal with the JOBS program as the expectation rather than the exception.
o (20%) By using a percentage, states can make their own decisions.
o This approach will allow us the greatest flexibility and is much preferred. We have a significant category of individuals in our state who require English as a second language and remediation who do not fit the profile proposed by the Administration. These individuals also will need the pre-JOBS experience for remediation before they can move into training/employment.

Require min. %

The balance of the caseload (25%) would participate in the Pre-JOBS program.

Combination answer:

Specify category; 15% exempt

o State's determination should depend on the availability of additional federal resources.

Specify category; 25% exempt; 50-75 min.

o The percentage actually participating will be dependent upon resources available. States will need flexibility to match supply and demand.

Specify category, 25% exempt, 75% min.

o Contingent on funding levels.

Specify category, 15% exempt.

o Would prefer flexibility at state level rather than mandating a specific % for participation. Considerable national data indicate JOBS is not a particularly effective program but is very expensive.

Specify category, 25% exempt.

o States would need to be able to defer a certain percentage as not everyone would be able to participate in the transitional program.

<u>Didn't vote, w/comments</u>

o At a minimum, final deferment provisions should give states flexibility to tailor their programs to their demographics and to changing economic conditions.

o Not sure how to respond. We do not like exemptions since that sets the wrong expectation. We like individualized participation requirements based on the situation and needs of participants. However, give the 2 year limit, exemptions are absolutely needed.

o Would recommend a combination of 2 and 3; i.e. allow states to establish exemption criteria which would be accepted as long as no more than 30 percent of the "born-after-1972" caseload is exempted from the time-limit program.

<u>5) WORK -- Which option should be available to states as they attempt to create work opportunities for participants who reach the end of their two year eligibility for cash assistance?</u>

A requirement of work for wages -- 00

The authority to create a variety of work requirements, including work for wages options as well as community work experience and mandated volunteer service -- 28

Didn't vote, w/comments --05

Didn't vote, w/o comments --00

Marked both options 1 & 2 --01

<u>A requirement of work for wages</u>

o We are concerned that there is too much focus on assumption of subsidizing jobs or creating public jobs

<u>The authority to create a variety of work requirements...</u>

o States need the flexibility that this option provides.

o Our state prefers giving states the flexibility to develop opportunities which will serve the needs of various state's residents.

o No federal mandate for state funded public service employment.

o States require as much flexibility as possible to implement this new program. While we recognize that work for wages is preferable to other options, greater flexibility will provide the ability to serve a larger number of clients.

o Flexibility is required so as to allow the state to use the best possible approach in serving the individual.
o The need for larger numbers of work assignments must be minimized by heavy up front emphasis on securing unsubsidized employment and maximum flexibility will be needed in developing work assignments.
o It would be necessary for all options to be available as all areas may not allow for an adequate number of work sites (example: rural areas and Indian reservations.)
o We need the authority of creating a variety of work situations to meet the needs of participants and to respond to different conditions in various parts of the state, including combining work experience with education and job search.
o States need flexibility to develop policies and requirements that will meet the geographic and economic needs of the states.
o Placement in unsubsidized private or public sector jobs should be the first priority. If unsubsidized job opportunities have been exhausted or are unavailable, alternatives such as Community Work Experience Program (CWEP), work supplementation or on-the-job training (OJT) opportunities should be required of clients as a condition of AFDC benefit eligibility.
o States will need a great deal of flexibility to establish the large number of slots needed.
o It is very important to have a wide range of options for participation in the work requirement. This gives individuals and state agencies the ability to design the work experience so that it best fits the individual and employability goals.
o The broadest flexibility and the capacity to develop a menu of options would be the most viable. Emphasis should be on Work for "Wage as the proposal says. Tax credits should also be considered as options.
o States should be given the flexibility to develop work programs to include work for wages, CWEP and other work experience type activities. Current restrictions on CWEP and other work experience programs need to be relaxed.
o While we support the 2nd option, we believe it is unrealistic to expect all unsubsidized at once, although unsubsidized employment should be the long term goal.
o State flexibility is critical to allow communities to create work requirements to best meet the needs of the community.
o Unsubsidized private employment and rewards for working should be emphasized to reduce the need for community service and public sector jobs.
o The option of creating a WORK program package that includes (1) work-for-wages, (2) community work experience and (3) mandated volunteer services would provide states with more flexibility to deal with changing nature of the local job markets.
o Again need flexibility particularly in very rural areas.
o The ability to create a variety of work requirements is very important, but it should not include a provision for mandated volunteer service. Volunteer service should be at state option or have no reporting requirements and minimal record keeping.
o Our state currently maintains a large community work experience component.

<u>**Didn't vote, w/comments**</u>

o None, two years and off.
o Work in a public or private entity should be a primary requirement.
o States should be given a series of options including a state-designed option subject to federal approval.
o At least 75% of the work opportunities should be subsidized jobs (i.e. work for wages). In addition there should be a time limit on work experience or volunteer service assignments unless it was determined that the wage was below that normally expected for minimum wage work.
o These options should provide safeguards for current workers to avoid full or partial displacement by welfare recipients.

6) WORK -- The proposal is likely to include a minimum work requirement of at least thirty hours a week with a state option to reduce the minimum to twenty. Do you support this?

Yes -- 13
No -- 16
No vote --05

Would you support a minimum work requirement of twenty hours a week, with the option to go to thirty?

Yes -- 23
No -- 04
No vote --07

Combination vote
Yes, Yes -- 07
Yes, No --02
Yes, no response -- 04
No, Yes --14
No, No --02
No response, Yes -- 02
Didn't vote at all, w/comments --03
Didn't vote at all, w/o comments --00

Yes, Yes

o We support maximum state flexibility

Yes, No

o Individuals who are working should be allowed eligibility for the program but a minimum of thirty hours would provide the state with the leverage to work with individuals who would otherwise continue at a 10 to 15 hour a week job.

o Requiring work participation as close to a regular work week provides valuable work-place experience. It would benefit participants to be required to periodically attend life skills training and job readiness skills training during the work requirement period.

Yes, didn't respond

o Yes, if. The ideal combination would be a full-time expectation with a four day work/1 day work search job club arrangement. Whether that is possible depends on the funding available and how many individuals "progress" all the way to a required work assignment.

o Our state believes the work requirement should be different for single-parent and two-parent families.

No, Yes

o Considering the difficulty involved in restructuring the system we recommend modest requirements with the option to move toward more stringent expectations.

o Consideration should be given to option going to forty.

o Our state recommends that the current mandatory twenty hour per week requirement be retained.

o Even 20 hours per week will extend current CWEP requirements of AFDC grant divided by the minimum wage. The state's average is approximately 16 hours per week.

o If the work earnings are substantially lower than AFDC, do participants get a partial grant?

o To help control child care, transportation and other supportive service costs.

o One of the problems with the minimum work requirement is equity. If participants are credited at the state minimum hourly wage in our state, many will not be able to work even 20 hours per week. If they are not paid at the minimum rate, we will be highly criticized for "slave labor" tactics. However, if the minimum is put in place, there should be financial or reporting incentives for states for all those who achieve 30 hours. However, twenty hours would allow for more creative job-sharing designs, while still preparing more participants to become job-ready while waiting to secure private employment. Generally, states need ultimate flexibility to meet the various needs of recipients in a changing economy, so more than one option should be allowable to a state.

No. No

o In the real world people work a 40 hour week.

No response. yes

o States should be allowed flexibility in this area. There may be differences in client populations which affect the ability to work a minimum number of hours. Flexibility to gradually increase the required hours is desirable, e.g. 15 hours - 1st year, 25 hrs. - 2nd yr., 35 hrs. - 3rd yr...

Didn't vote. w/comment

o Difficulty in answering. Concerned about very young teen parents who need to finish basic education before they can become job ready. A minimum work requirement may perpetuate their need for some other type of assistance.
o States should be given the broadest possible range of options in imposing work requirements to allow for regional variations in changing labor market conditions.
o What is the difference between the 2 options? We would like to be able to require, if appropriate given the circumstances up to 40 hours of participation a week in a combination of activities, including job search, community work, regular unsubsidized employment and education. 20 hours would be the minimum requirement, except for persons on temporary leave because of illness, etc.

7) WORK -- Is the proposed subsidy of approximately $4200 per slot enough to cover the costs of developing and administering the WORK program sufficient?

Yes -- 13
No -- 11
Didn't vote, w/comment --10
Didn't vote, w/o comment -- 00

Yes

o We assume that these funds are for staff/administrative costs. However, consideration should be given to whether these funds would be better spent through subsidies to private employers.
o This state is concerned about requiring large increases in state expenditures to draw down federal funds. As with other questions, costs cannot be predicted until some aspects of the proposal are solidified.
o Without specific information on the WORK program components, it will be difficult to determine the exact cost per slot but a figure of $4200 should be adequate for our state.
o Yes, if the funding is per year and the $4200 doesn't include the wage for recipient.
o Should be adequate.

o A subsidy of $4,200 for development and administration is more than enough, unless this includes part of the payment as well.
o It is assumed that case management, implementation costs and client supportive services would be funded from the proposed $4,200 subsidy. If these assumptions are incorrect, the costs would be higher.
o Yes, if its excluding supportive services such as Medicaid and Child Care.
o Need clarification of the match rate being proposed.

No
o We believe that private sector jobs are preferable to government jobs.
o Not enough detail in briefing. Does number include state matching? Funds for subsidized employment?
o Per participant estimate; 20 hours X $4.25=$4420. If you add administration, child care and transportation, this subsidy is not enough.
o This appears to be a little low, based on our experience.
o Our program costs about $5,000 annually per active participant. Much of this cost is child care. If child care were separate it would be ok.
o If payments to and on behalf of clients are included, this clearly inadequate. Otherwise, this is sufficient for administering the program and maintaining support.
o If limited to only operational administration "yes"; if includes distributive costs: wages, child care and other services then "no."
o This is below minimum wage, assuming a 20 hour work week. However, if the stipend is not included in this estimate, it would be sufficient funding.
o Funding to support 1 participant at subsidized wages of $4.25 for 20 hours/week for 1 year would exceed $4200 & there would be a need for additional administrative cost for child care & travel.

Didn't vote, w/ comment

o We can't answer. We do not know if this is meant to cover administrative structure and monitoring or if it includes costs of public or subsidized jobs.
o This question is impossible to answer as posed.
o If "per slot" means "per individual who enters this phase", probably yes. If they stay for 6 months, we would have $700 per month for support services (plus their grant amount.)
o Can't answer this without additional information.
o The cost of a subsidy program is subject to regional economic variations within a state and the financing of a WORK program must allow for these variations.
o Insufficient information available to respond to this question.
o Unable to determine at this time. If employment subsidies for employers will be available would this be included in the proposed subsidy?
o It is unclear what requirements are mandated for the "slot" and the length of time $4200 is to cover (question is not clear).

o Since "work for wages", (not "work for welfare") would be a defining feature of the Administration's welfare reform proposal, it is important that this component succeed.If the proposed subsidy of $4200 does not include wage subsidy, the amount will provide states with opportunities to develop an effective WORK program. However, if the proposed $4200 also includes the wage subsidy, then the component is underfunded. The Administration's tentative plan to reduce the federal share for payment of costs of persons in the WORK program beyond a certain period of time needs to be more specific to avoid cost shifting to states.

8) Do you believe that, beginning in 1999, your state can create the jobs necessary for those who reach the two year time limit and are unable to find employment? The Administration estimates that 500,000 jobs could be required by 2004?

Yes -- 14
No -- 12
Didn't vote, w/comments --07
Didn't vote, w/o comments --01

Yes
o We believe we can and will create jobs; however many of those jobs will be higher paying/higher skilled jobs, requiring more education and training which may not be possible in a two-year time limit
o The private sector is currently creating the jobs necessary for employment in this state.
o We can create enough private sector jobs to accommodate those leaving the rolls.
o The jobs would have to be of the work experience variety with public or private nonprofit organizations.
o Yes, but only if we focus on employment from day one. Minimizing training and initial "family wage" job expectations, retaining strong support and transition services (cc and medical) so that only a reasonable number need work placements.
o If this includes both subsidized and non-subsidized jobs.
o As long as this can be done in a way that doesn't end up being perceived as threatening the job security and job quality of people who are already in the labor force, we say "yes". This is an important "if" which merits attention.
o If we have the flexibility described earlier and the minimum number of hours is low, we have a better chance.
o Additionally current proposal assesses no penalty to the client if growth in these two areas does not meet expectations.
o If worker's compensation requirements are eliminated or relaxed and the state has the flexibility to develop the slots then the state should be able to meet the challenge of establishing transitional employment.

o Our state would emphasize unsubsidized work through incentives, information to clients, and other methods to minimize the number of clients reaching the time limit without a job.
o Since our approach is to create a WORK program consisting of work-for-wages, community work experience and mandated volunteer service, we believe that we can create WORK options for those who reach the two year time limit. Again, provided that adequate funding is available to create WORK assignments which would help participants find lasting unsubsidized employment.

No

o A limited number of public sector jobs might be created, but real reform will require the involvement of the private sector. The Administration's approach will merely substitute state support with a state-supported job.
o We are uncertain. It depends on the economic condition of the state, federal exemption policies and countable activities. In this state, over 100,000 adults are on ADC longer than 2 years. This state does not have the revenue necessary to support public service employment.
o Having jobs available for those who are job ready is a major concern.
o Most areas in our state are too remote, underdeveloped, without local businesses. We cannot create the jobs necessary to meet the programs' needs, when our statewide unemployment rate is 9.1%
o Job opportunities continue to increase in our state as the economy improves. However, the skills, education and employment experience of those individuals who reach the two year time limit may be insufficient to meet employer job requirements. Subsidized employment opportunities may be the only option for those who have exhausted the two year time limit and have been unable to find employment.
o Not if we mean employment that is self-sufficient.
o JOBS being created are not well matched to skills of clients which is why our caseload is growing despite job growth in many parts of our state.
o We expect that many jobs will need to be developed in our state because the private sector will be limited in its ability to absorb the many recipients that exceed two years on AFDC.

Didn't vote, w/comments
o This state has not recovered from the past 4 years of economic downturns. Although we are working hard in a number of departments to encourage new industry and the growth of existing businesses, the economic status in our state in 1999 is difficult to discern.
o We have no way of knowing.
o We are in the process of analyzing caseload projections to determine how many jobs would have to be created in our state.

o If states do a good job up front, when families first enter our doors, not that many families will reach the 2 year limit with the exception of those with severe mental health problems. The problem is in rural areas of our state with few jobs and high unemployment. We could not create enough jobs in these areas.
o We are not sure. It may involve very high administrative costs to create and maintain new jobs.
o Data is currently being collected by county on public assistance participants and employment rates. Policies will have to be considered whether an individual will be required to move outside or a county to secure a job to meet the requirements.
o It is difficult to ascertain at this time.

9) Should participants in a subsidized WORK program be eligible for the EITC ?

Yes -- 23
No -- 11
Didn't vote, w/comments --00
Didn't vote, w/o comments --00
Both Yes and No --00

Yes
o Otherwise there is an equity issue. Philosophy of EITC is to lift people out of poverty and should apply to everyone
o EITC is an important component in shifting from the welfare to work concept.
o Use of the EITC would help the state maintain cost effectiveness for the program.
o Yes, but only if it is a position that pays a wage (like work supplementation or JOBS plus) and not if it is a CWEP or other grant retention approach.
o EITC is an important incentive to the working poor as they strive to achieve economic self-sufficiency.
o This is crucial. We must allow people to combine welfare with work if the wages are not high enough to provide sufficient support to the family.
o Including EITC as a benefit to participants will provide extra income to the client and help to motivate the client to participate.
o If there is no partial grant they should get EITC. If a partial grant, then partial EITC.
o Although the Administration believes that making participants in subsidized WORK assignments ineligible for the EITC would motivate them to move onto unsubsidized jobs, we recommend that work-for-wages participants be eligible for the EITC to be consistent with the Administration's goal of making WORK assignments mirror private sector jobs as closely as possible. One approach to consider to prevent participants from overstaying in WORK assignments would be to develop WORK assignments which are by nature part-time and time-limited.
o EITC could be used as an incentive & would assist in transition of unsubsidized employment.

o CONFIDENTIAL: Referenced particular state's waiver.

No

o The EITC should remain as an incentive for people to find and hold unsubsidized jobs. At the most, some consideration should be given to providing participants access to minimal credits if that would increase the EITC's value as an incentive.
o Regular unsubsidized employment must be more financially rewarding than community work.
o EITC will provide the incentive to obtain unsubsidized employment.
o To do so would eliminate the incentive to move to unsubsidized work.
o Not unless adjustment could be made to other benefit programs, AFDC food stamps, SSI. Otherwise becomes another entitlement.

Didn't vote, w/comment

10) PART TIME EMPLOYMENT -- Should states have the option of continuing cash assistance to those who are working part time and still meet eligibility criteria?

Yes -- 31
No -- 02
Didn't vote, w/comment --01
Didn't vote, w/o comment --00

Yes

o Employment does not mean self-sufficiency. Without assistance, we may simply be moving them into other types of programs.
o Our response assumes that eligibility criteria would be based on income.
o It is going to be extremely difficult to determine administrative guidelines for a program which mixes mandatory work requirements, regardless of grant amounts, with continuing part time employment which would affect the grant amount.
o Yes, depending on what the work program is.
o Individuals who are working part-time need the encouragement and cash assistance as much as someone who is not working. The intent would be to keep them employed and help them increase their earnings.
o In a reduced amount and in special circumstances -- as with the other exceptions, it should be a small number of individuals (10%.)
o This should still be transitional and not an entitlement.
o In many cases, part-time work will lead to full time opportunities
o Provided states continue to have flexibility in the application of eligibility criteria.

o We can not believe t his is even a question! We must support gainful, unsubsidized employment. Some people can only work part-time and in some rural communities part-time work is all that exists. We must not put community work before regular employment.
o Again, we believe that for two-parent AFDC-UP families the primary wage earner should be required to work at least 20 hrs./wk. once the time limit has expired.
o Provides incentive for those who can only participate part time.
o An attachment to the labor force, whether part-time or full-time is beneficial. A part-time job may lead to full-time employment during employer expansion. Many states have received approval for eliminating the 100 hour rule and attendance attachment to the labor force as a condition of AFDC benefit eligibility. This waiver approval encourages work even if wages are insufficient to achieve self-sufficiency.
o The two-year time limit establishes a work requirement, and hopefully will define part-time work at 20 hours a week. For people who are working it is the amount of income which should determine continued eligibility for cash assistance rather than hours of work or time on.
o States should be able to provide cash assistance to individuals who are employed part time and still meet eligibility criteria. However, there should be limits to the time this will be allowed.
o This could be the only way to make the overall program workable. Otherwise these families would end up on general assistance.
o So long as the part time work hours equal or exceed the hours required in the WORK Program.
o Part time employment should be encouraged and not discouraged by requiring part time workers to leave the labor force And participate in the "WORK" program.
o Again, the equity and minimum wage issues make it virtually impossible not to allow this option.
o If the participant pursued a secondary activity in conjunction with the part-time employment which would eventually lead to full-time employment.

No
o After two years, there should be no cash assistance. Part-time or minimum level employment should not stop the clock.
o Research shows this might have the perverse effect of having people quit full time jobs to get a combination of earnings and welfare that is worth more. Would be acceptable only if tied to requirement to accept any bonafide full time job.

Didn't vote, w/comment
o If we have the flexibility in the WORK program and the minimum numbers of hours is low, we have a better chance (repeat comment.)
o States should have the flexibility of continuing cash assistance to those who are working without regards to the number of hours worked to provide an incentive for work.

11) What should the minimum level of employment be set at for those eligible to receive cash assistance?

1 No minimum -- 05
2 20 hours --03
3 30 hours --03
4 state option, w/min. of 20 hours -- 18
W/comments: 06
W/out comments: 12
No vote, w/comments -- 04
No vote, w/o comments--00
Combination of 2 & 3 -- 01

No minimum
o State option to set
o Cash assistance should be available to families that still meet the eligibility criteria.
o This would reinforce the idea that part-time work would always be more profitable than not working.
o There should be either financial or reporting incentives available to states that set limits at 30 hours per week, or all those working 30 or more hours per week should count greater toward meeting participation rate requirements. However, as stated above, at minimum wage, many participants will not be able to work 20 hours a week in the WORK program.

20 hours
o in subsidized employment for single parents of a child younger than one, 15 hours unsubsidized employment.
o JOBS services as well as other supportive services should be available to persons who are employed at least 20 hours per week.
o If there can be exemptions for people who have good cause. I think everyone supports work as part of the program. However, there should be sufficient exceptions in cases where the participant is incapable or the labor market is tight.

30 hours
o 40 hours marked in subsidized employment for all other parents; 30 hours in unsubsidized employment.
o Allowances will have to be made in some circumstances regarding people with disabilities and those caring for children with disabilities.

State option, w/min. of 20 hours

o States need flexibility in this area as well.
o If no minimum is set, the legislature may establish a hour per month minimum. This will require that JOBS and eligibility staff spend an inordinate amount of time on monitoring client activities with little benefit to the client in eventual employment.
o By establishing a minimum number of hours for those employed, the state could require someone working only a few hours each week to participate in the other activities with the objective of finding another job or increasing their hours.
o Except as above, full time employment should be the expectation.
o As long as functioning at highest level in work environment.
o Must be tied to requirement to accept any bonafide offer of a full time job.

Voted, w/ additional comments
o We believe work requirement should be greater for primary wage earners in AFDC-UP families and single parents with no child younger than 13 years old; we also believe that work requirement in subsidized employment should be greater than hours required in unsubsidized employment to make unsubsidized employment more attractive than subsidized employment.

Didn't vote, w/comments
o After two years there should be no cash assistance. Part-time or minimum level employment should not stop the clock.
o Because employer practices could commonly involve 15 or 17.5 hours, preference is a state option appropriate to its economic conditions and employment practices. If the federal government must set a limit, then state option with a minimum of 20 hours.

12) FUNDING Would you be willing to accept a state maintenance of effort for the current AFDC program (including JOBS spending) as part of the welfare reform financing package?

Yes -- 11
No -- 17
Didn't vote, w/comment --04
Didn't vote, w/o comment --02

Yes
o State budget neutrality is acceptable for maintenance of effort assuming increased program costs are federally-financed. However, maintenance of effort should be based on a per case-bases, not total funding
o Yes, contingent upon distributing the money through a block grant formula.
o Yes, but only if: It is recommended that the federal financial participation above the state maintenance of effort level be the enhanced match rate of 90% federal and 10% state.

o Probably, but we would want most additional costs to be federally funded, including child care. We have a tax and spending limitation in the state. If the economy were to deteriorate, we would prefer to have some flexibility. If revenues decreased and the caseload increased drastically, we would be faced with cutting education, early childhood programs, public health and other important programs.
o Depending on how it is set.
o But the maintenance of effort should jointly apply to JOBS since the administration is not increasing the federal match for AFDC benefits and the caseload should decrease if the JOBS program is successful. In any case the maintenance of effort should not apply to AFDC Emergency Assistance.

No
o Need more information
o States need to be given incentives to reduce overall spending on welfare programs. MOE requirements do not consider the impact on programs of federal mandates.
o State is already facing budget cuts that make the maintenance of effort issue a serious concern.
o Not an expanded maintenance of effort.
o This state is currently contribution state general funds above the federal JOBS cap and should not be expected to continue that. However, as these policies pay off, the feds would be recouping their higher initial investment as well as their reduced maintenance costs.
o As long as this would not be a block grant.
o Our caseload in AFDC is almost as high as it had ever been; if the economy were to improve and caseloads then decreased, we would want to be able to spend less than we do today. We are willing to accept a maintenance of effort requirement for JOBS spending.
o Establishing a maintenance of effort provision for the current AFDC program would eliminate the flexibility for states to utilize options for services.
o We are currently over matched at \$8.5 m to \$5 m in federal aid. Pure maintenance of effort would be unfair. Should be set at national average MOE (e.g. 50% of match required to draw capped entitlement, or whatever states have done.)
o If "state maintenance" means commitment to a given year spending level, this could result in the inability to lower expenditures even if the AFDC caseload dropped. If "state maintenance" meant that commitment to a given grant level, this could handicap direction in running the AFDC program. For fiscal programmatic and political reasons this would be unacceptable. Finally, there is concern that "state maintenance" could actually increase the state's share of match if the federal government lowered its share portion to redirect funds elsewhere.
o If, however, this would represent a state MAXIMUM required match, YES, otherwise, NO.
o We would like flexibility to ensure that our state's spending is not locked in a level which is unreasonably higher than other states'.

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Didn't vote w/comment

o Our response to this question would depend on how the maintenance of effort was proposed and its long-term impact on the state. However, maintenance may be counterproductive in that it punishes those states that run successful programs and reduce AFDC numbers.
o It depends on how the maintenance is defined.
o More information is needed as to the definition of maintenance of effort as it applies to this issue.
o State is not able to fully utilize JOBS dollars currently 1995 would be a more realistic targeted year for maintenance of effort.

14) SYSTEMS -- The proposal appears to provide states with up to two years after enactment for initial implementation. Is this sufficient?

Yes -- 23
No -- 07
Didn't vote, w/comments --04
Didn't vote, w/o comments -- 00

Yes
o Yes, with additional funding
o Yes, given adequate funding and flexibility for implementing. This state could bring the program up in that time.
o It would be fair to allow states to apply for extensions if there was a serious need.
o Ideally, system development for national reporting purposes should follow after initial implementation. Implementing a program and a system simultaneously results in heavy manual burdens and constant revision. States are still having difficulty with JOBS systems.
o Yes, given that sufficient state and local funding is sufficient to implement state and local funding is not sufficient to implement the program within two years, states should not be held accountable for lack of funding.

o If there is sufficient funds and the clock does not start until the client enters the program it should be OK.
o This should be adequate, provided systems coordination is included.
o Our state is hoping to implement a welfare reform plan in the immediate future; federal waiver pending.
o States should have the option to begin sooner than two years with the same commitment of federal resources as states who begin in two years.
o Provided that adequate funding and technical support to all levels (state, local welfare agencies, JOBS providers, employers) are available to build capacity to implement systems overhaul; such as re-training of staff, computer re-programming, re-tooling of policy/program operations, building of new interstate systems, fraud prevention and other protocols, etc.
o Enhanced match for systems overhaul and revision would be essential because our state would need to redo its entire FAMES system.
o Our state is currently building into its on-line system proposed welfare reform changes.

No
o In light of existing federally-mandated system activities and initiatives, we do not believe it is feasible for an entire new system capable of interfacing nationwide to be completed using exiting state resources.
o It usually takes much longer than that time period for federal regulations to come out. The Family Support Act of 1988 regulations for JOBS were not published until October 1989. That was a rather simple change compared to the proposals being discussed and even after the 1 1/2 year delay getting federal regulations, it took 4 years to get the program operational.
o It should only be 2 years from promulgation of approved federal regulations.
o Experience has shown we need three years ADP development. Data system development cannot proceed until state policies have been developed.
o The implementation time would depend on a requirement for the establishment of a national database to track the information. The level of federal financial participation would also have an impact on the state's ability to provide funding. The amount of state funds needed would be less if an enhanced funding rate was provided by the federal government. Since state and local capacities for reform vary widely, flexibility in design and implementation would be preferred.
o After final regulation, will need one year of planning, system changes, and getting state law changes, and two years for implementation phase-in.
o We need promulgated regulations to have the detail and decisions necessary to make automated system changes; suggest two years after promulgation of implementing regulations.

Didn't vote, w/comments

o Maybe. It depends on which components are implemented.
o Depends on "other" requirements (info systems reports, etc.) and availability of funding. With minimal requirements, yes.
o At a minimum, the implementation lead-in should allow biennial legislatures sufficient time to meet. In addition, state should not be required to implement in the absence of final regulations unless they are held harmless for any differences between actual implementation and final regulations.

15) CHILD CARE -- Would states be willing to accept a requirement that they extend registration and state determined health, safety and provider training requirements to all day care providers. This would include providers that are exempt from state regulatory standards, such as baby sitters and small in-home care givers?

Yes -- 10
No -- 22
Didn't vote, w/comments --02
Didn't vote, w/o comments --00

Yes

o Currently in existence in this state.
o This state would accept registration of all day care providers. However, the licensing of day care providers should be left to the states.
o I believe the executive branch would support this for all child care except for casual babysitting not related to ongoing employment of parents. However, our General Assembly (legislative branch) might balk at this expansion of state regulatory effort directed toward child care.
o Yes, but only if: Support for extending broader regulatory requirements for all providers should be contingent upon state flexibility in determining applicable standards and a commitment of federal funding for provider recruitment and development.
o We would want states to be allowed to define extended requirements.
o This provision will be supported if enhanced match for all child care was made available. This will require our state to possibly institute a training and monitoring component for its "approved home"category of care which currently has a pre-inspection prior to payment authorization.
o Our state currently requires the registration of all child care providers participating in state funded programs

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<u>No</u>

o States should be given maximum flexibility in this area.
o Informal day care should be encouraged, not discouraged where appropriate.
o This state believes strongly in parental choice. Our residents are adamant about not having regulatory intervention in their selection of child care providers. In addition, the state is currently unable to provide quick service to potential child care providers who do want to be regulated.
o States should continue to have flexibility in the regulation of child care providers.
o No. Considering that welfare reform will require the development of considerably more day care slots, it would be counterproductive to make becoming a home care provider more difficult.
o Currently require health standards, however, registration (licensing) is not available to all areas of our state. Imposing this requirement could mean only urban day care facilities would meet requirements, all rural providers would fail the requirement.
o Should not be a requirement but federal government should provide incentive funding to improve quality without regulating the informal child care to death.
o This would take significant funding increases, since most clients continue to use private family providers rather than centers. Health and safety training for those numbers would be expensive.
o Some exceptions are needed. Examples: relative providers should have an option. In addition, increased imposed standards may cause the lack of available day care providers who are now providing healthy, safe environments without the hassle of state regulations.
o Could not support including in-home care givers.
o We would want to provide technical assistance to help babysitters and relatives provide quality child care, but we would not want to jeopardize access to enough slots by forcing them to be regulated.
o State regulatory standards should apply; states, not the federal government should determine state's regulatory program.
o Exempt providers are free of all regulations. Unless the federal government is paying for all training, all licensing activities -- this would not be acceptable.
o Our state already requires all providers to submit a self-certification verifying compliance with all health and safety standards. If can't and criminal background checks were included in the criteria, additional funds would be required.
o Provider training should be emphasized to improve quality of care. A range of training should be promoted including in-home videos, teleconferences, and CDAs. "Babysitters" and "small-in-home care givers" would have to be defined.
oCost of regulating these currently informal arrangements would be very high.
o When it is determined necessary to the health and safety of children, the State legislature will require state regulatory standard for all care givers.

Didn't vote, w/comments

o Unsure. Concerned about availability of providers, particularly in rural areas.
o Our state can currently impose standards on non-regulated public funded providers as long as they are consistent with the health and safety standards established for the Child Care and Development block Grant. To ensure compliance, states would need the resources necessary to inspect and license informal child care arrangements such as relative care, babysitting and other family supports. The state would consider requiring licensing of public funded family dare care homes.

16) TWO PARENT FAMILIES -- Do you favor giving states the option of expanding eligibility to many more two parent families by eliminating some work requirements?

Yes -- 25
No -- 07
Didn't vote -- 02

If yes, what benefits should be included? transitional assistance and WORK?

Yes -- 23
No --00
No vote --11

Cash supplements to working poor families whose income is below state benefit levels?

Yes -- 25
No -- 01
No vote --08

Combination answers

No -

o Expansion of AFDC eligibility is always unwise,even if somewhat offset by the creation of new work incentives.
o An artificial program requirement such as UP quarters is not realistic. Eligibility for welfare should be based on economic need, but both parents should participate in education, training, or a work opportunity.
o EITC should be applied to assist the working poor families.
o Current qualifications for our state are adequate. But the 100 hour rule could be eliminated.

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Yes, Yes, Yes

o With additional funding

o Any welfare reform initiatives need to encourage marriage and include provisions that will strengthen families.

o Yes. This state favors easing marriage penalties and supporting two-parent families. We believe the structure of benefit programs should support values held by the wider society.

o Expansion of the program will mean increased costs but it will also mean service to a population that is often neglected under assistance programs.

o Only if federal match is available.

o Fine, as long as these are options. More important would be the option for all states to limit the two parent program to six months per year.

o Major focus should be placed on working with intact families.

o Questions are unclear. If by this you mean eliminating 100-hour rule and attachment to workforce requirements, our answer is yes.

o Elimination of the work requirements of the unemployed parent program are positive changes. Expansion of the EITC is also an incentive for unemployed persons as well as the working poor. Additional transitional medical and child care benefits beyond one year is also recommended.

o The distinction between single parent and two parent families is arbitrary. The current rules promote the separation of families.

o Current state policy under the Family Transition Program demonstration provides for elimination of the 100 hour rule, quarters of work for initial eligibility and extension of assistance when the self-sufficiency plan cannot be completed within the 6 month time limit.

o Eliminate 100 hour and close connection rules as we do in our state's waiver.

o These were recommendations of both the Governor's Commission on Welfare Policy and in the Governor's Welfare Reform Proposal.

o Our state currently provides assistance to such families with state only funds and would benefit greatly from additional federal funding for this group of recipients. In addition, if eligibility is extended to such families, the cumbersome "100 hour rule" must be eliminated. This would simplify program administration and discrimination against certain two-parent families.

Yes, no vote, no vote

o States should have maximum flexibility in determining what benefits to include.

No vote, no vote, yes

o Do you mean by this (work requirements in first question) the 100 hour rule? And the 6 out 1? Work quarters/labor force attachment requirement. Need to know more about what you mean. In general, we do not favor eliminating work requirements for AFDC-UP families.

17) WAIVER AUTHORITY -- The proposal appears to increase the options available to states. Are there any major elements of current large scale demonstrations that do not appear to be included in the Administration's proposal that states will want the flexibility to continue on a demonstration basis?

Yes -- 23
No -- 06
Didn't vote, w/comment --02
Didn't vote, w/o comment --03

Yes
o CONFIDENTIAL: Referenced individual state's waiver.
o CONFIDENTIAL: Referenced individual state's waiver.
o CONFIDENTIAL: Referenced individual state's waiver.
o CONFIDENTIAL: Referenced individual state's waiver.
o CONFIDENTIAL: Referenced individual state's waiver.
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o CONFIDENTIAL: Referenced individual state's waiver.
o We recommend that states be allowed to use the State Plan process to determine the welfare program that they think will be the most beneficial in addressing the needs of customers in their state.
o States should be given increased flexibility to design programs without HSS approval. An example of an initiative not included in the Clinton list is Pay-per-performance which links the receipt of welfare benefits to the proportion of hours participated in JOBS, much like wage employment.
o This is difficult to answer without seeing the proposal. This state favors all flexibility which can be given to states in developing programs.
o Other areas of interest might be required school attendance or screening for young children at public health centers. The possibility of trying new approaches to social service should not be abandoned.
o Cash out, simplification and coordination of ADC and Food Stamp benefits.
o Current 115 demonstration process is fatally flawed. Wide waiver authority is needed for states, authority that may be granted statewide, without current expensive and administratively burdensome evaluation requirements.
o State should be provided maximum flexibility.
o An incentive payment to cover costs after receipt of last AFDC check and prior to receipt of first pay check -- allow for a penalty for voluntarily quitting a job -- allow teenage members of households to own an auto (not to exceed $2,500 market value) and savings (not to exceed $1000)
o We would like the flexibility to continue our demonstration program that cashes out food stamps and imposed an immunization requirement.

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o Designs that enable states to continue cash assistance as long as the family's income remains below an established level of poverty.
o Our state currently includes in its welfare reform demonstration bootstrap training for individuals who have lost eligibility due to employment related reasons. Transitional child care has been extended for an additional 12 months and has increased the disregard for earned income and the asset limit. Unemployed and under-employed non-custodial parents are able to participate in the JOBS program.
o Our current waiver proposal for work immersion for persons waiting for entry should be recognized as JOBS prep.
o The development of a partnership between the private business sector and government to stimulate economic development to grow new jobs; grant diversion to employers for up to two years.
o The proposal hints at but does not mention requiring early and periodic screening, diagnosis and treatment for children under 6 and school attendance for those over 6 as we are doing in our Primary Prevention Initiative.

No
o The proposal appears to be comprehensive and includes all major concepts.
o As many of those three year demonstration projects are in the early stages, this answer may change as new data is gathered.
o The WORK program is overly prescriptive. States should have the flexibility to operate other WORK-type programs.

Didn't vote, w/comment
o Consider giving states greater flexibility in implementing demonstration/proposals through State Plan amendments, as opposed to the 115 waiver process.
o Transitional health and child care benefits.

18) Should the act continue to include authority for ongoing demonstration and experimentation?

Yes -- 31
No --01
Didn't vote, w/o comments -- 02
Didn't vote, w/comments --00

Yes

o There should be federal/state partnerships in which both partners not only share the benefit but also the risks and costs. For example, current federal cost neutrality requirements discourage experimentation.
o This is difficult to answer without seeing the proposal. This state favors all flexibility which can be given to states in developing programs.
o Yes. Innovation should always be possible and encouraged.
o Other areas of interest might be required school attendance or screening for young children at public health centers. The possibility of trying new approaches to social service should not be abandoned.
o Cost neutrality is too limiting.
o Absolutely, Until a perfect "one-size fits all" system is found, all states will benefit from experiments.
o The states should have the option of continuing all or part of their ongoing demonstrations. In addition, the states should have the opportunity to tailor specific initiatives to their individual needs.
o The final package should include authority to continue to grant waivers for state-based reform efforts.
o Absolutely necessary in our view from both a state-specific and a national perspective.
o Several states already have waivers for demonstration projects that should be allowed to continue. Our state has recently passed legislation which will require waivers to test various welfare reform concepts that are included in the current administration's welfare reform proposal. Flexibility of the evaluation and cost-neutrality requirements would provide states with an increased opportunity to test various welfare reform concepts.
o The waiver process should be revised and simplified. Requirements for cost neutrality and evaluations should be revised.
o There is always a need to try new approaches.
o The Act should also provide for federal funding of state-based experiments and/or no, or reduced, cost neutrality. It should also provide for "administrative" waivers, as is done in the Food Stamp Program. These allow the state to experiment without the need for a costly evaluation or to have cost neutrality.

o Continuing to test approaches would ensure that policies and programs are current and effective. However, in the spirit of reinventing government, we recommend that the federal waiver process be redesigned, i.e. keep it simple, consider alternative conditions. In some instances, the 2 conditions (cost-neutrality and rigorous evaluation) tend to discourage quality improvement initiatives.
o Otherwise we will never get it right.
o The Federal and State governments can benefit from both successful and unsuccessful demonstrations and experiments. those that prove to be successful can be incorporated into the program or at the least offered as an option.
o States need to maintain continued authority for demonstration purposes as the stated "flexibility" has not been defined.

No
o Lack of uniformity across state lines is producing programs with less in common as time goes by. If not curbed, these programs will soon be fundamentally different in each state producing accountability, outcomes and comparisons of little meaning. Many differences and thereby outcomes may relate directly to a state's wealth and investment.

Didn't vote, w/comment

19) Are there any items not discussed above that have been included in prior discussion documents that are unacceptable to your state?

Comment -- 18
No comment -- 16

Comment
o State is concerned about federal mandate to require teen parents to remain in their parental home. Should be a state option. There needs to be flexibility for states to expand income deductions and resource limits.
o No
o No
o None
o See attached letter to Mary Jo Bane
o We would like to see waivers to basic programs without evaluations.
o Whatever is implemented must avoid cost shifts to states.
o More careful consideration of IV-F/IV-A interface issues. Funding for MIS improvement and time to develop quality management reporting.
o Unfortunately, like the current JOBS program, this proposal still seems preoccupied with "process" and input measures rather than ;outcomes. Better we get 50% participation and place 10,000 people in unsubsidized employment than we get 95% participation and only place 1,000.

o No, as long as state options are a possibility.
o We do not believe that FOP should be reduced for AFDC payments made after a family's time limit has expired until we have learned the results of the many demonstration projects that are just getting under way; is reducing benefits a prudent and humane social policy.
o None that we are aware of. We have many questions about the conditions and the level of federal funding for JOBS and WORK. We also have questions about Indian tribes and natives, and what, if any, JOBS, JOBS-prep, and WORK activities will be administered by tribal organizations.
o The requirement to have teen parents live at home should have an allowance for reasonable exceptions. Too many teen parents have been sexually abused at home; the requirement for legal paternity establishment should also have some reasonable exception clause. Paternity establishment may take a long time; A general family cap requirement that does not take into account need standards is troublesome. Our average AFDC family has fewer than two children.
o Sanctions for the entire family; counting the income of non-relatives in budgeting teen parents; labor department approval of JOBS plans without a requirement for that Department to commit resources to achieve them.
o The lack of sufficient Federal funding to meet the mandate without additional state funding.
o The time limits on the JOBS Program will require an even greater investment in staffing. Federal funding must be available to assist state in this investment.
o 1. Jobs Sanctions - States should have flexibility to impose sanctions greater than those in current law. Our state believes current JOBS sanction are not effective.
2. Exemptions from time limit: States should have greater flexibility to close "stop the clock" loopholes, and/or put limits on length of time recipient can spend on post-secondary education.
3. How recipient "earns back" months on the clock needs specification four months off for one on is acceptable.
o We disagree that states should pay 100% of the cost of AFDC cases where the mother has cooperated but paternity has not been established. The executive branch does not wholly control paternity establishment yet the proposal holds the executive branch accountable.
o Much of the survey questions relate to JOBS Prep and WORK proposals. We are preparing comments regarding other elements of the proposal in prior documents such as: revamping JOBS program, child enforcement, AFDC rules, focus on outcomes rather than participation levels, etc.
o States should not be required to place recipients in community work experiences to work off AFDC grants after two years unless federal resources are guaranteed to find a sufficient number of full-time subsidized jobs which are designed to foster self-sufficiency.

20) Are there any items that your state believes must be added to the plan to make it acceptable to you?

Comment -- 21
No comment -- 13

Comment

o General comment -- plan focuses solely on income and finding a job and gives the appearance that everyone starts with a similar or equal level of ability and skills and education. This is not true. Additionally, many of the families have other nonfinancial needs. Failure to address those will not ensure any ability to help break the cycle of dependency for these families. Family problems can affect an individual's ability to find and retain a job.

o More flexibility for states; better incentives for recipients to "get off welfare"; time limitation for benefits.

o The current child care allowances of $175 or $200 are inadequate for current needs. States should be permitted the flexibility to raise the payment level to current market rates.

o This state does not support the concept of time limited benefits. It destroys an already fragile safety net and produces more dependency and cost shifts social problems to already over taxed local service providers. This state promotes benefit cash outs and wage supplementation.

o Teen parent requirements should be maintained - we must keep them progressing in school; Sufficient funding must be available, especially for support services and transitional services or we will have substantial recidivism.

o Following a 12-month Medicaid eligible transitional period, considerations should be given to the development of a sliding fee scale co-payment for medical coverage for those former AFDC recipients who are employed but uninsured.

o Support expanded sanction;' recommend process/agreement between client and state; working with entire family including at-risk children; streamline eligibility process including changes in eligibility, criteria, e.g. resource limits, vehicle cap, etc.

o The states need assurance that penalties will not be applied to the states for non-compliance unless there is a guarantee of adequate resources and an increased federal match for staff, training, JOBS activities, child care, etc...

o 1. Substituting the Food Stamp Vehicle Rule for the AFDC vehicle rule does not go far enough.

2. Need flexibility to spend some JOBS funding on unemployed or part-time employed NONCUSTODIAL parents.

3. Need flexibility to develop, test, and evaluate new methods of parentage determination, establishment of the child support obligation, and enforcement .

4. (Recommended but not absolutely a must) Child support payments actually being made should be deducted from gross income in determining whether AFS household posses the 130 percent of the federal poverty guideline gross income test. Without doing this the child support income is counted twice if both households apply for Food Stamps - it is counted for the house hold that pays the child supports and the household that receives the child support. We believe this unfairly discriminates against the child-support-paying NONCUSTODIAL parent who is of limited means once his or her child support obligation is paid.

o Streamlining and coordination of AFDC and Food Stamp policy; Expansion of child care and health care options for the working poor; Improvement and simplification of paternity establishment and child support collections including interstate collections.

o We support the strong child support enforcement provisions that we understand are included in the plan.

o Discussion of administrative capacity is essential. The plan is acceptable but would be strengthened by adding integration expectations, specifically the role of DOL at the federal level.

o None

o Current UP participation requirements are not able to be met without additional funding.

o Welfare reform needs to be part of the broader discussion of workforce development. Isolation of welfare reform from school-to-work and work-to-work systems duplication. While states continuing fragmentation and systems duplication. While states are the appropriate vehicle for program coordination, much is lost when federal legislation fails to design for coordination and a systems approach.

o Increased match to state for administration, child care, and JOBS/WORK. Liberalizing standards for match of nonprofit, foundation, school and pre-K programs. Maintaining the entitlements for working clients on AFDC and those who have left AFDC (TCC), and expanding the ARCC for non-AFDC parents by the estimated $5.0 billion proposed for the non-welfare working poor is central to welfare reform.

o 1. To assist states in administering the WORK Program, federal law should mandate to all federal agency work slots down to the local community level to provide slots to the WORK Program.

2. The multiple match rates in the JOBS Program are very burdensome to States.

o 1. Realistic funding levels especially for child care.

2. Guarantees that if states maintain current funding levels they will not become liable for added expenditures. Areas of proposal, e.g. performance measures and "WORK" imply that states may have to pay more than now. This cannot become an "unfunded mandate" on the States.

o The administration of the earned income credit, including authority for states to advance it, should be addressed.

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o 1. It is absolutely essential that income disregards be simplified and wherever possible aligned with other assistance programs such as food stamps.
2. The current requirement to correct every overpayment and every underpayment is equivalent to the monthly reporting (MR) requirements which were made optional. States must be given administrative time to react to changes in client income as is the rule in the food stamp program. AFDC should be aligned with food stamps in this area. Overpayment rules are just as cumbersome and cost ineffective as the MR system.
o In order for Transitional Assistance, JOBS & JOBS Prep to be feasible, it will be absolutely necessary to provide funding for extensive child care & other support services. It will also be critical to include an extension of current transitional services.