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Working Group [6]

2013-0854-S

ms682

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- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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RR. Document will be reviewed upon request.

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- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

MEMORANDUM FOR MEMBERS OF THE WORKING GROUP ON WELFARE REFORM,
FAMILY SUPPORT AND INDEPENDENCE

FROM: BRUCE REED
DAVID ELLWOOD
MARY JO BANE
WORKING GROUP CO-CHAIRS

SUBJECT: Working Group Meetings

Now that the Working Group on Welfare Reform, Family Support and Independence is being officially established, we need to move forward to carry out our charge -- to develop a welfare reform plan to submit to the Domestic Policy Council. Because of its inter-departmental nature, the Working Group is a large group with members from across government. In order to make the best use of our time and to facilitate the process of developing a welfare reform plan, we ask your cooperation in several areas.

Your attendance and participation at the Working Group meetings is very important. We understand that you may occasionally have unavoidable scheduling conflicts. Since the process of gathering information and developing consensus is cumulative in nature, we ask that you designate a single person as your alternate to represent you when you are unable to attend. Please let us know whom you designate as your alternate.

If you find that your schedule does not permit regular participation, we ask that you designate a replacement for the Working Group. While other staff may attend meetings, we expect that only you or your designated alternate should participate in the discussions.

We have scheduled several Working Group meetings in June as listed below. We plan to start these meetings promptly, and appreciate your making every effort to attend for the full hour and a half scheduled.

June 9	Child Support Insurance/Assurance and Absent Parents issues
June 23	Characteristics of Welfare Recipients - Dynamics and Anecdotes

June 30

Interagency Services:

HUD presentation on housing benefits

USDA presentation on food stamps

DOL presentation on training and
work support programs

If there are other topics related to welfare reform that you wish to discuss or be briefed on, please let us know.

We anticipate a busy summer and fall, and we look forward to your continuing interest and participation in developing a plan to carry out the President's welfare reform agenda.



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES

370 L'Enfant Promenade, S.W.

Washington, D.C. 20447

NOTE TO: Mary Jo Bane
Wendell Primus

FROM: Howard Rolston

SUBJECT: Presentation to Task Force

After Friday's meeting I tried to develop a more specific outline for you to consider concerning how the presentation at the upcoming task force meeting might be structured. Each part would be supported by appropriate visuals.

1. Welfare vs. non-welfare

Compare a family on welfare to a low-income working family trying to get by without any direct income support except the EITC (since such a large percentage of eligibles receive it). Do two welfare variants, one with and one without housing subsidies.

2. Where we are now

Next include for the working family other forms of income support, including Food Stamps, transitional Medicaid and child care (noting their brief duration), and other Medically-needy categories (especially the expanding coverage of children below poverty). Discuss the Family Support Act, how it improved the comparisons and how it got the principle of mutual obligation between society and the individual right. But show how by not providing enough on society's side of the obligation, we can't expect much on the individual side; to overcome the moral dilemma that welfare parents face regarding working or risking their childrens' well-being, society has to provide more to raise expectations on the individual.

3. Where (hopefully) we will soon be

Next make comparisons including what is in the President's Budget, e.g., the EITC and a down payment on the child support side (don't include any dollars in the example for the latter) and universal health care coverage. Show how this really improves the comparison, especially if the EITC is available more frequently than annually. Also point out that shortfalls still occur. Raise issues regarding single and two parent households.

4. Why we need welfare restructuring

Finally, make comparisons showing different options for closing the gap including: increasing the minimum wage, child support for single parent families and child care. Articulate the reasons why an assured child support benefit would work better than simply strengthening enforcement, and give an example for those with low award levels. Discuss the need for guaranteed jobs. Adopting some combination of these options can really raise the obligation on individuals to work and welfare can become transitional for almost all individuals.

AGENDA ITEMS

Welfare Reform Steering Committee

4/22/93

I. Process Issues

A. Work Plan/Schedule

B. Initial Feedback Sessions

- structure/timing of future sessions in light of Make Work Pay session Wednesday p.m.

C. Next Steps for Issue Teams

- clarified charges
- timeline for next products

D. Communication

- inclusion of one rep per issue team in steering comm
- agreed process for regular feedback between teams and steering committee

E. Working Group Meetings

- How to use and make effective

II. Outreach/Communications

A. Communications Work Group

- Need for coordination among legislative, media, outreach strategies and among agencies and the White House

B. Announcement

- Calls: who gets them; who makes them
- Letters: who drafts
- List: circulate and review
- Press: provide early exclusive? Background briefing?

C. Hearings: purpose and structure

- D. Communication inside administration: how to keep all those who "want to be involved" informed

- E. Other: mail, speakers bureau, outreach (meetings/ mailings) to important groups and individuals

OUTLINE OF CHILD SUPPORT PRESENTATION
(Draft, 5/24/93)

I. The Current State of Affairs

- o Single Parent Households, Poverty Rates
- o Child Support Enforcement Record
- o Child Support Enforcement Potential

II. The Child Support Enforcement Structure and Problems With the Current System

- o Present Administrative Structure
- o IV-D, non-IV-D Distinction
- o Lack of Paternity Establishment
- o Inadequate Awards
- o Fragmentation
- o Lack of Staff and Resources
- o The Burden of Enforcement is on the Mother
- o Enforcement is not Tough Enough

III. Key Issues to be Decided

- o Expanding Paternity Establishment
- o Universal Child Support Enforcement
- o Centralizing and Unifying the System
- o Federal Enforcement vs. State Enforcement
- o Funding and Incentives
- o Child Support Enforcement and Insurance/Assurance

The Current State of Affairs

The Rise in Single Parent Families, Driven by the Increasing Percentage of Out-of-Wedlock Births, Leads to Increasing Poverty Rates for Children.

- o Percentage of births to unmarried mothers: 1960 - 5.3%, 1970 - 10.7%, 1980 - 18.4%, 1989 - 27.1%.
- o Rates of divorce per 1000 of population: 1960 - 2.2, 1970 - 3.5, 1980 - 5.2, 1990 - 4.7.
- o One parent families as proportion of all families with children: 1970 - 12.9%, 1980 - 21.5%, 1990 - 28.1%.
- o Poverty rate of children, female headed families: 1990 - 53.4%. Male present - 10.7%.
- o Also see tables 1, 2, 3, & 4.

The Present Child Support Enforcement System Provides Only Limited Assistance for Most Women.

- o Percent of women eligible for child support payments, not awarded payments: 1978 - 40.9%, 1989 - 42.3%.
- o Percent of never married with children, not awarded child support: 1989 - 76%.
- o Of the women due payments, percent who received full amount: 1978 - 48.9%, 1989 - 51.4%.
- o Mean child support payments received (by women who received payments), divorced women: 1978 - \$3,581, 1989 - \$3,322.
- o Mean child support payments received (by women who received payments), never married: 1978 - \$1,793, 1989 - \$1,888.
- o Also see tables 5, 6, 7, & 8.

The IV-D Agencies are Establishing More Paternities, But, In Part, Because of Rising Out-of-Wedlock Births, the Overall Percentage Remains Poor.

- o Total numbers of IV-D paternities established: 1986 - 244,966, 1989 - 339,243, 1991 - 479,066.
- o IV-D paternities established per out-of-wedlock births: 1986 - 27.9%, 1989 - 31%.
- o Also see table 9.

The Current State of Affairs (page 2)

The IV-D Agencies are Collecting More Support But Mostly Because of an Increase in the Number of Cases Being Handled or Funneled Through the IV-D Agencies, Rather Than Being Handled Privately.

- o Total IV-D collections: 1986 - \$3.2 billion, 1989 - \$5.2 billion, 1991 - \$6.8 billion.
- o IV-D, AFDC caseload: 1986 - 5.7 million, 1989 - 5.7 million, 1991 - 6.1 million.
- o IV-D, Non-AFDC caseload: 1986 - 2.5 million, 1989 - 4.2 million, 1991 - 5.3 million.
- o Also see tables 10 & 11..

Closing the Collection Gap Would Transfer Billions to Poor Families.

- o Aggregate child support deficit: 1989 - 5.1 billion dollars.
- o Estimated gap between what is now paid and what could potentially be received is in excess of 15 billion dollars.

- data on
absent fathers -
income, etc.

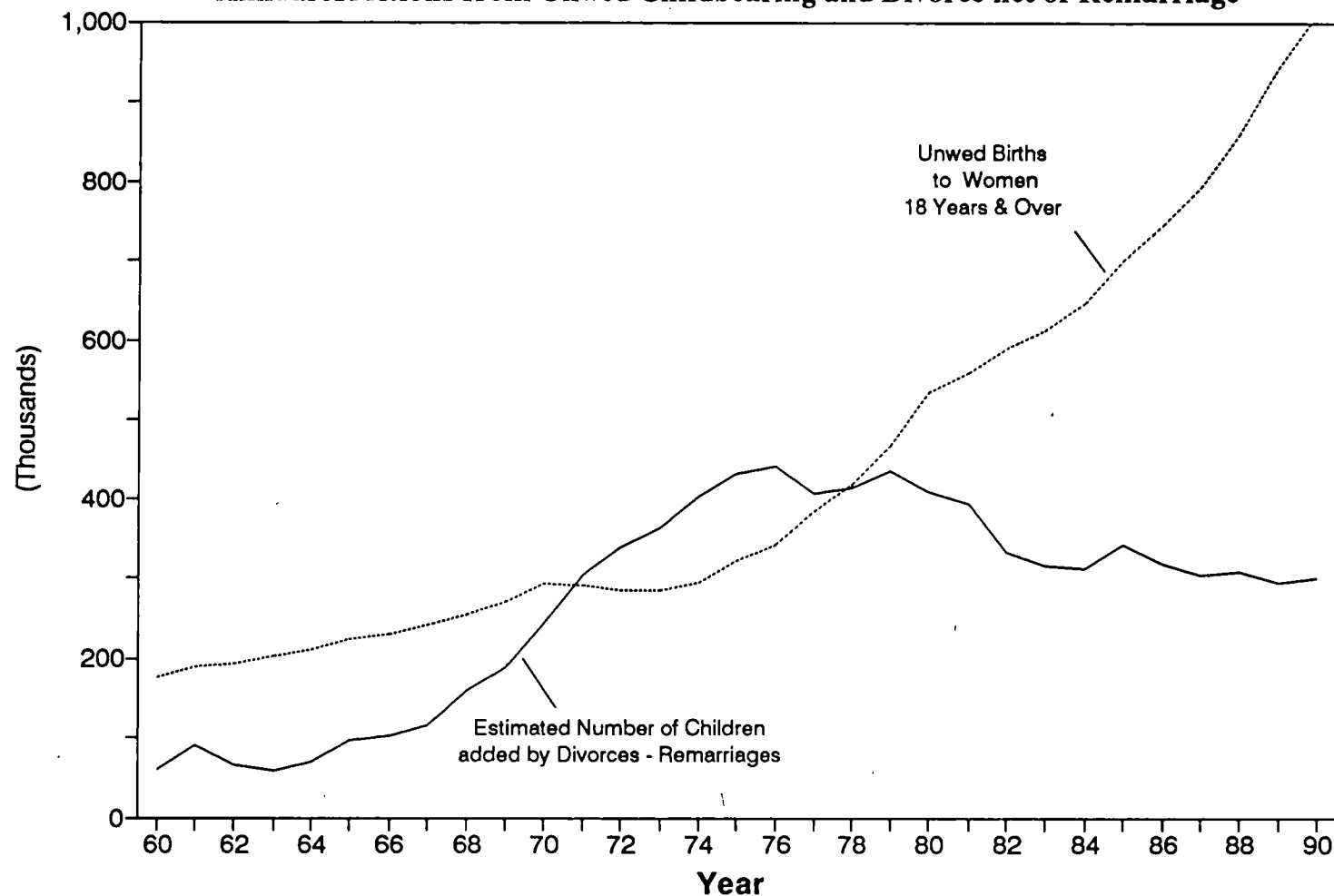
- Is there data on
payment by income
level.

Key Issues to be Decided

- **How Far to Push Paternity Establishment.**
 - Should the government try to establish paternity for all out-of-wedlock births?
 - How far do we go towards universal paternity establishment (And still protect mothers subject to abuse) - decouple paternity establishment from welfare, create new measures and incentives for states, offer carrots to encourage the mother's cooperation, or use carrots and more sticks?
- **Universal Child Support Enforcement.**
 - Should child support enforcement be treated as part of a broader anti-poverty strategy that attempts to provide children in all single parent families with support from both parents?
 - If the goal is broader, how far do we go towards a universal system? Should it be mandatory or optional? Opt-out only or opt-in only?
- **Centralizing and Unifying the System.**
 - How far can we go in requiring states to centralize state operations and state collection/disbursement systems?
 - Should we mandate administrative process or, at least, create heavy incentives for administrative process?
 - How far do we go in imposing mandates on the states to have the necessary enforcement procedures and tools?
 - Do we decouple the child support program from welfare?
- **Federal Enforcement vs. State Based Enforcement.**
 - If federal - Which agency would be responsible? What are the political ramifications, transition difficulties and costs?
 - If state - What type of federal-state role and federal financial participation would promote states to insure that adequate staff, resources and attention are paid to child support enforcement? Is there room for an expanded federal role even if a state based system is retained?
- **Funding and Incentives.**
 - Is the federal government willing to spend more money to provide child support enforcement as a service and support system for all single parents or should we just be concerned with recouping AFDC dollars?
 - To what extent are incentives, supports, and services for non-custodial parents worthwhile and affordable?
- **Child Support Enforcement and Insurance/Assurance.**
 - What are the benefits and drawbacks to a CSEI program?
 - Should we implement CSEI as a national program? State-based phased-in? State demonstrations?

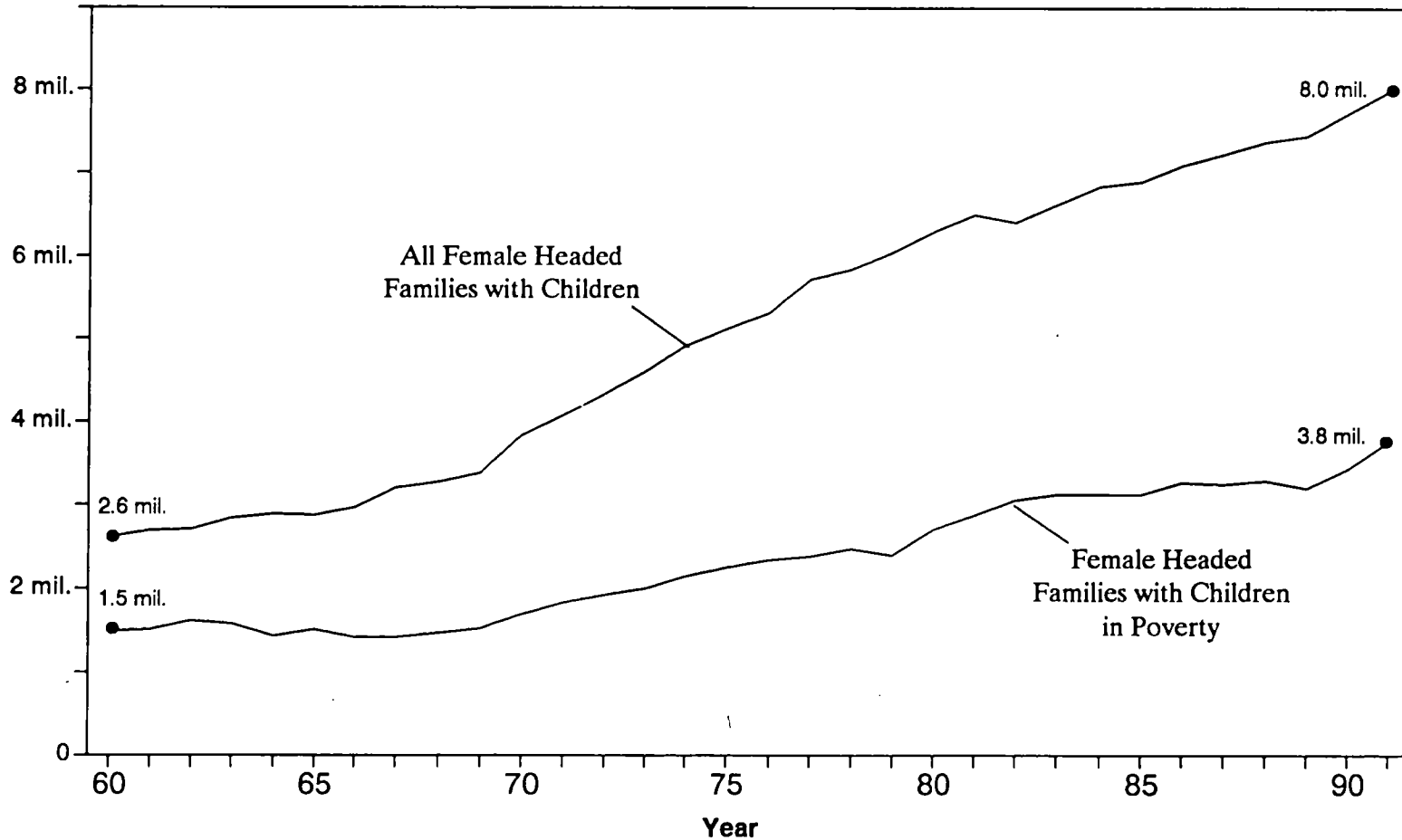
GROSS ADDITIONS to CHILDREN in MOTHER-ONLY FAMILIES

Annual Additions from Unwed Childbearing and Divorce net of Remarriage



Source: National Center for Health Statistics, *Vital Statistics of the United States*, annual and *Monthly Vital Statistics Report*, Vol. 41, No. 9, Supplement, February 25, 1993.

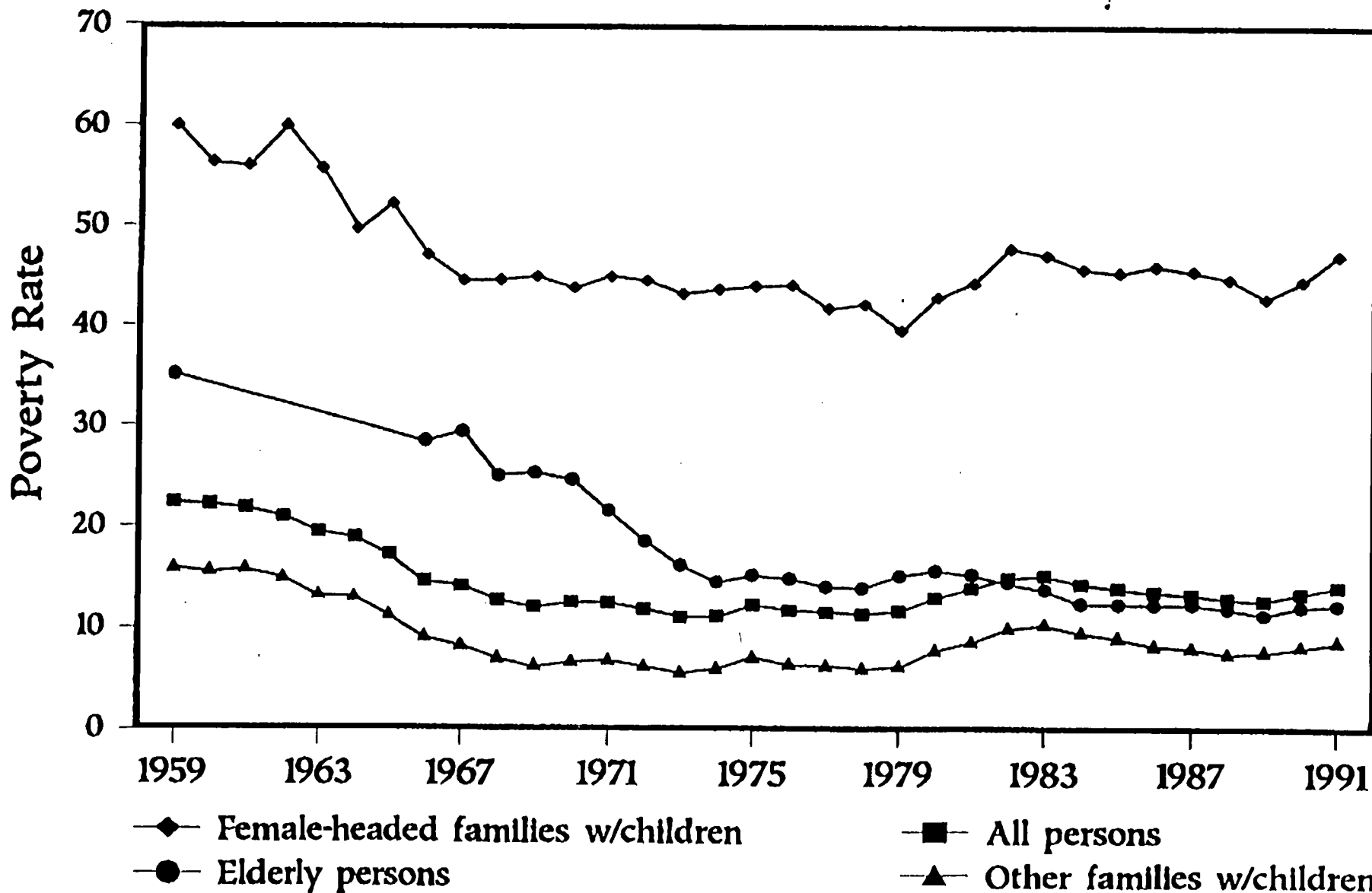
FEMALE HEADED FAMILIES with CHILDREN "ALL" and "IN POVERTY"



Source: U.S. Bureau of the Census, *Current Population Reports*, series P-60, No. 181.

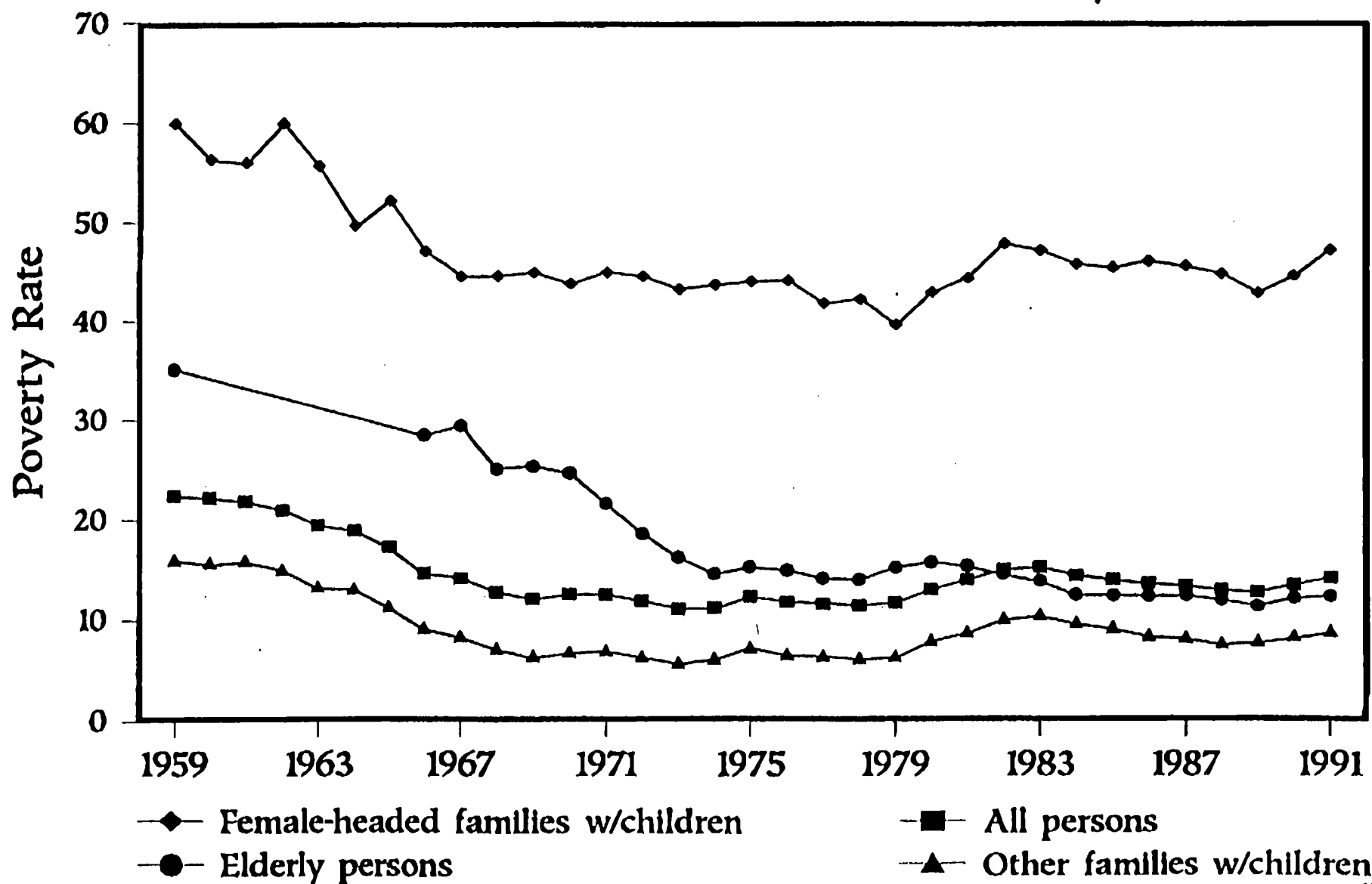
Poverty Trends, 1959-91

(Female-headed vs. Other Families)



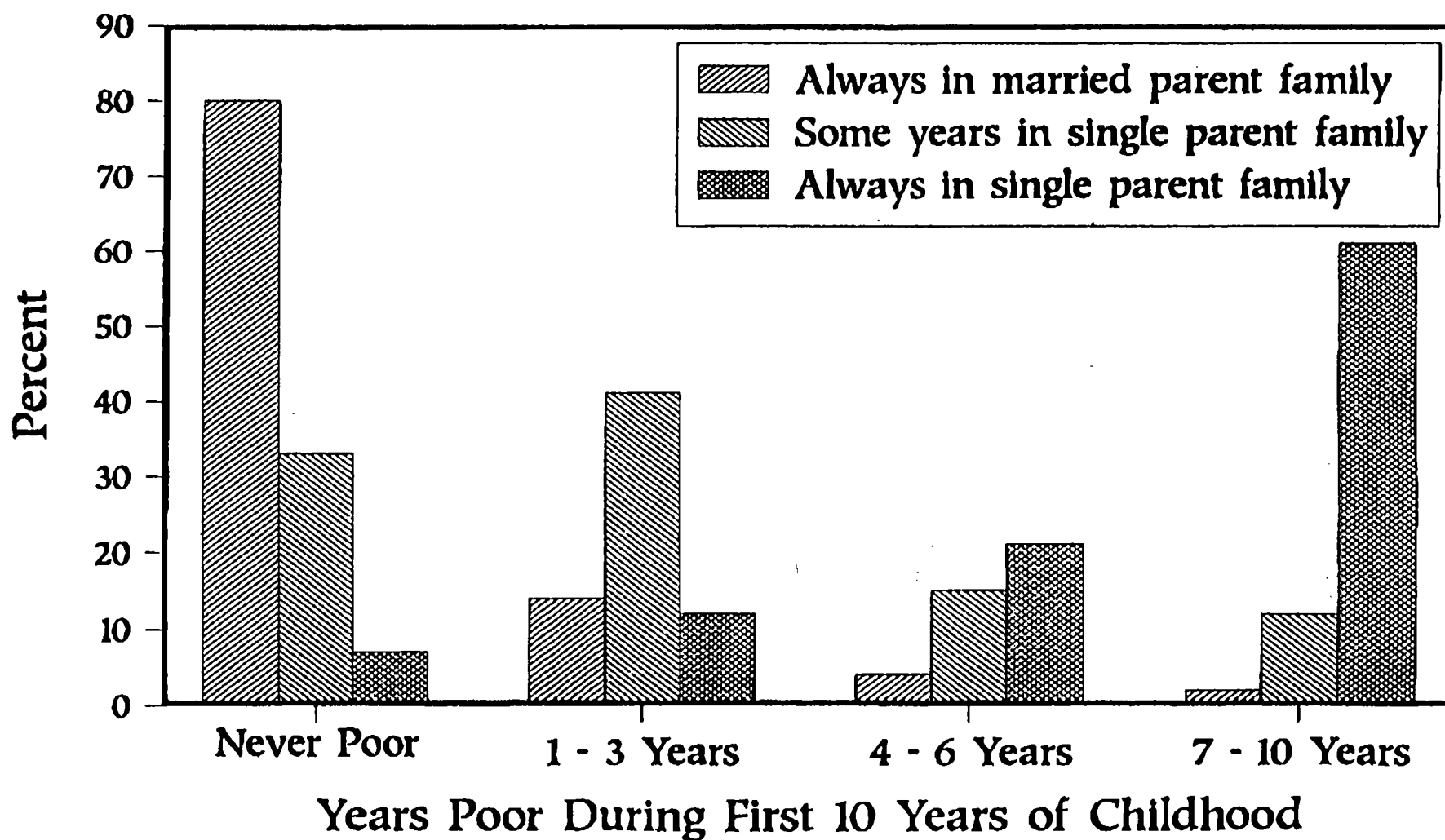
Poverty Trends, 1959-91

(Female-headed vs. Other Families)

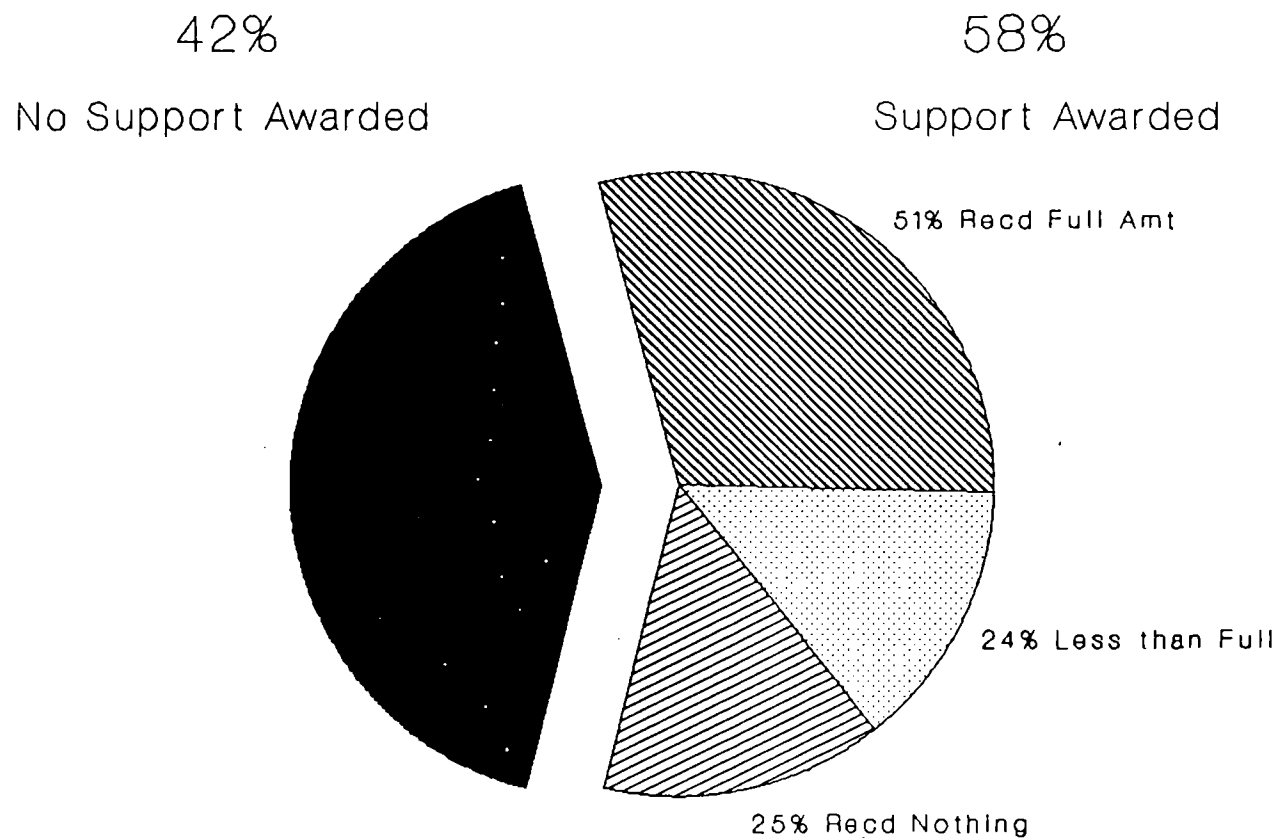


Distribution of Children by Duration of Poverty

By Family Type, 1970 - 1982



AWARD AND RECIPIENCY RATES OF WOMEN

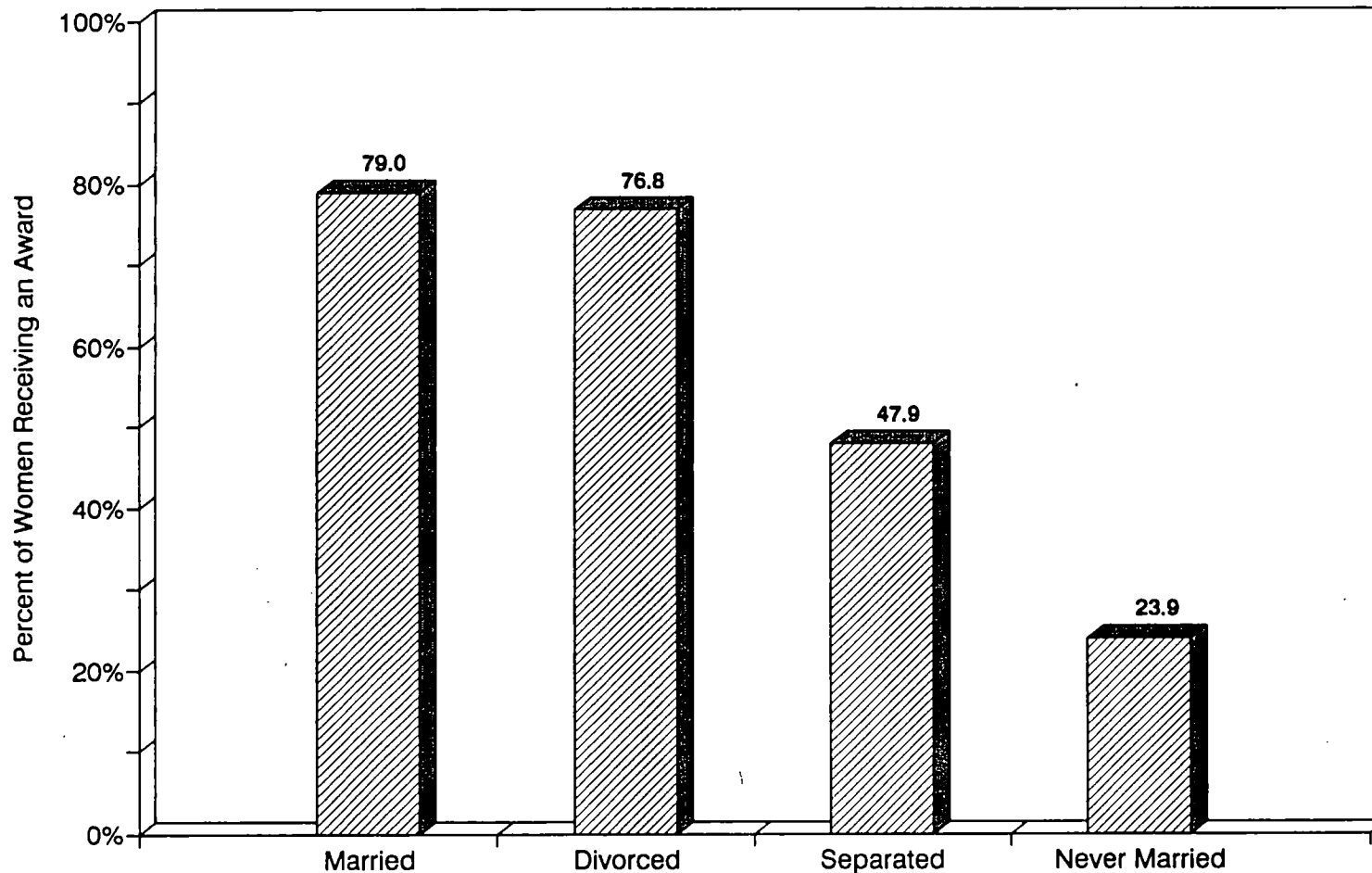


10.0 Million Women in 1989
lived with Children and
the Father was not Present.

Source: Current Population Reports,
Consumer Income, P-60, No.173

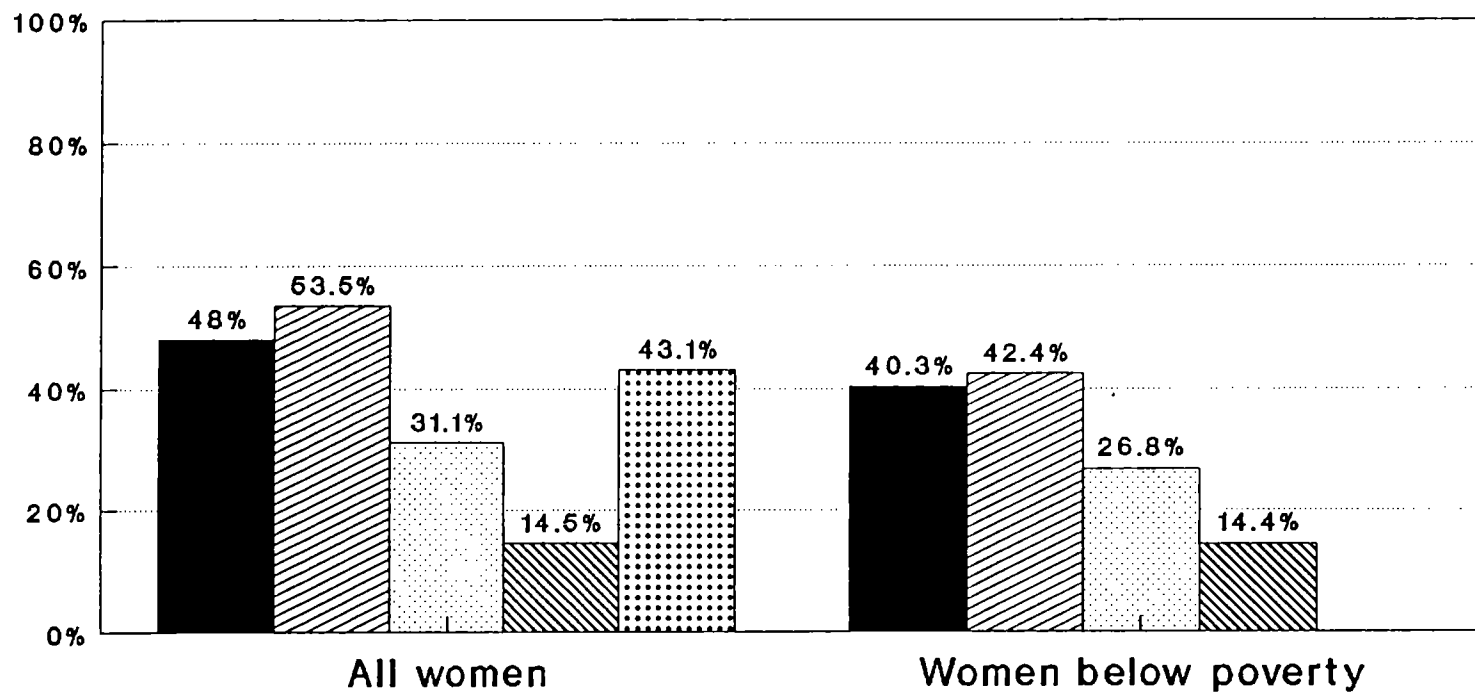
CHILD SUPPORT PAYMENTS AWARDED

Women 15 years and older with own children under 21 years of age present from absent fathers as of spring 1990.



Source: U.S. Bureau of the Census, *Current Population Reports*, series P-60, No. 173.

Child Support Payments Received (By Marital Status)



^{RE} Married
 Divorced
 Separated

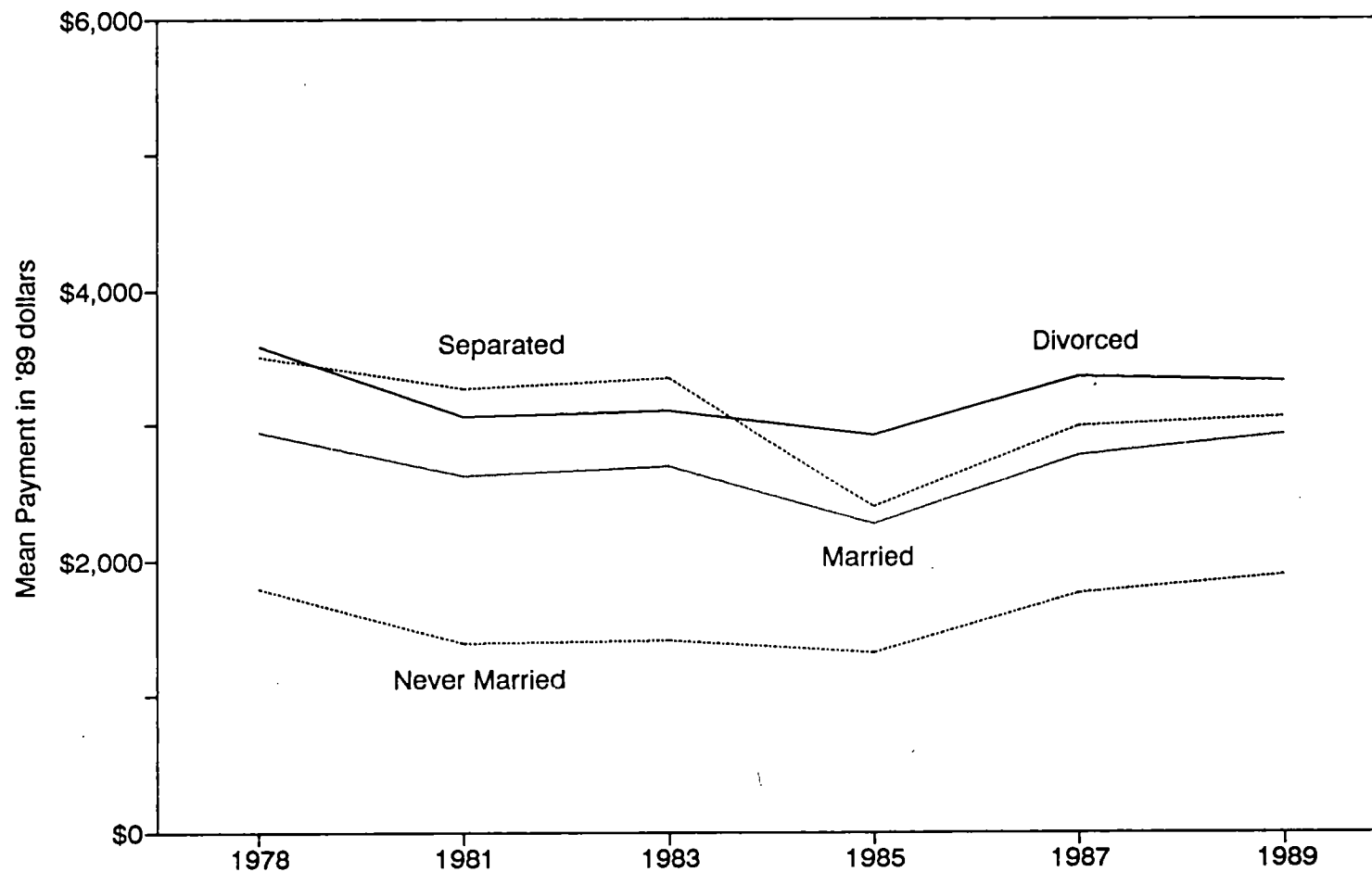
Never Married
 Widowed

Source: Current Population Reports,
Consumer Income, P-60, No. 173

WOMANS.CHT

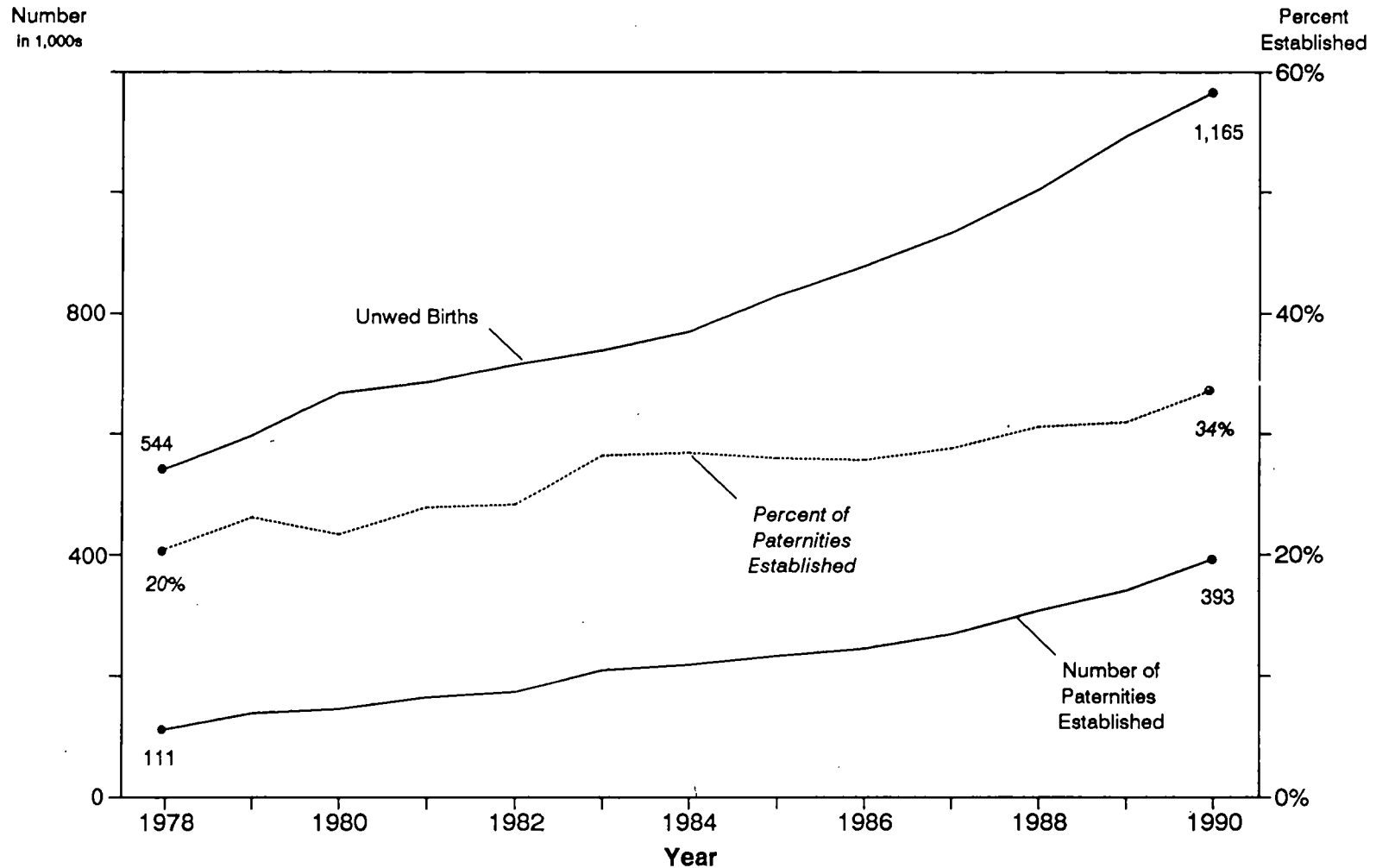
MEAN CHILD SUPPORT PAYMENTS RECEIVED

By Current Marital Status



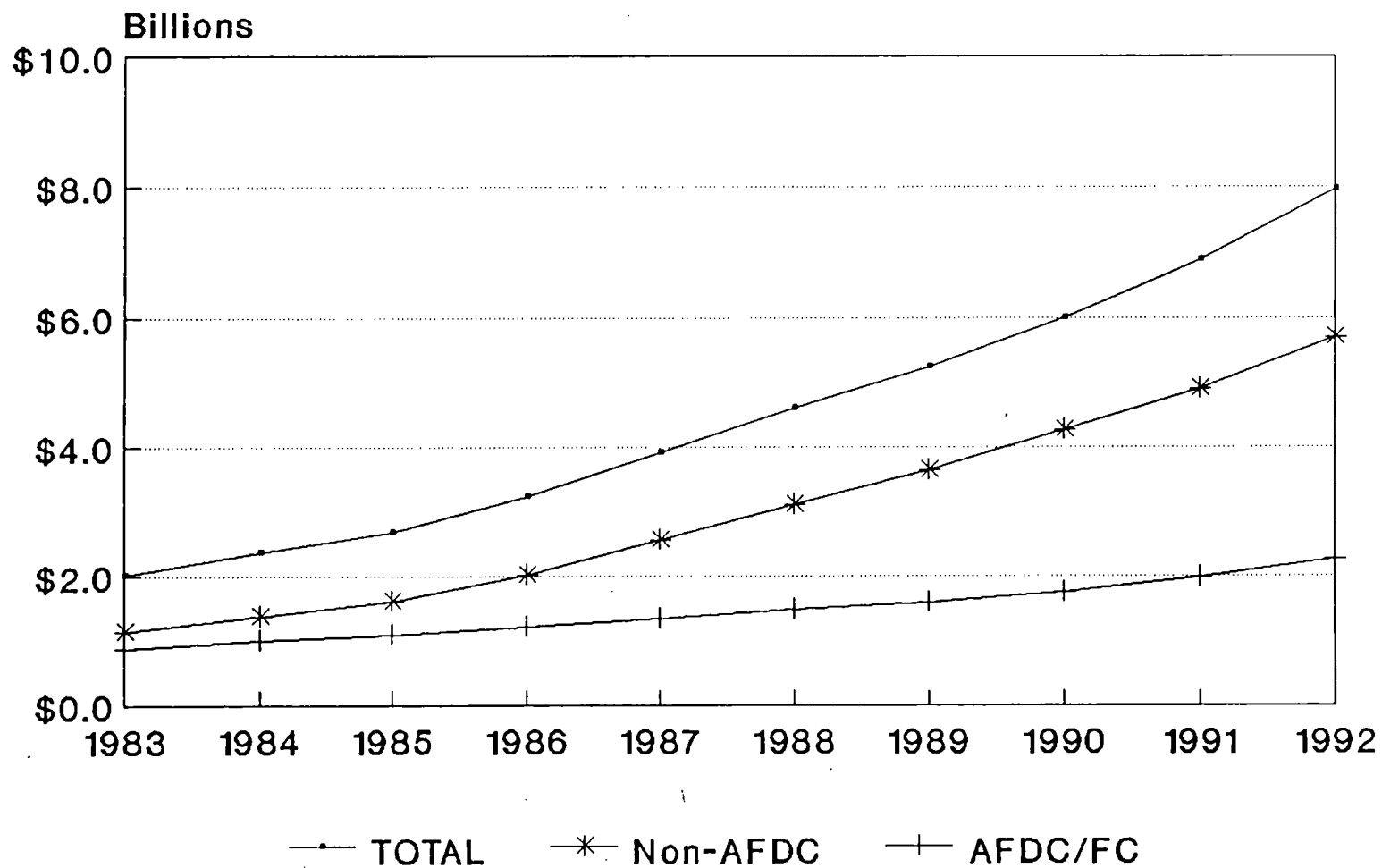
Source: U.S. Bureau of the Census, *Current Population Reports*, series P-60, No. 173.

UNWED BIRTHS & PATERNITIES ESTABLISHED



Source: National Center for Health Statistics, *Vital Statistics of the United States*, annual and *Monthly Vital Statistics Report*, Vol. 40, No. 8, Supplement, December 12, 1991; Committee on Ways and Means, *Overview of Entitlement Programs, 1992 Green Book*.

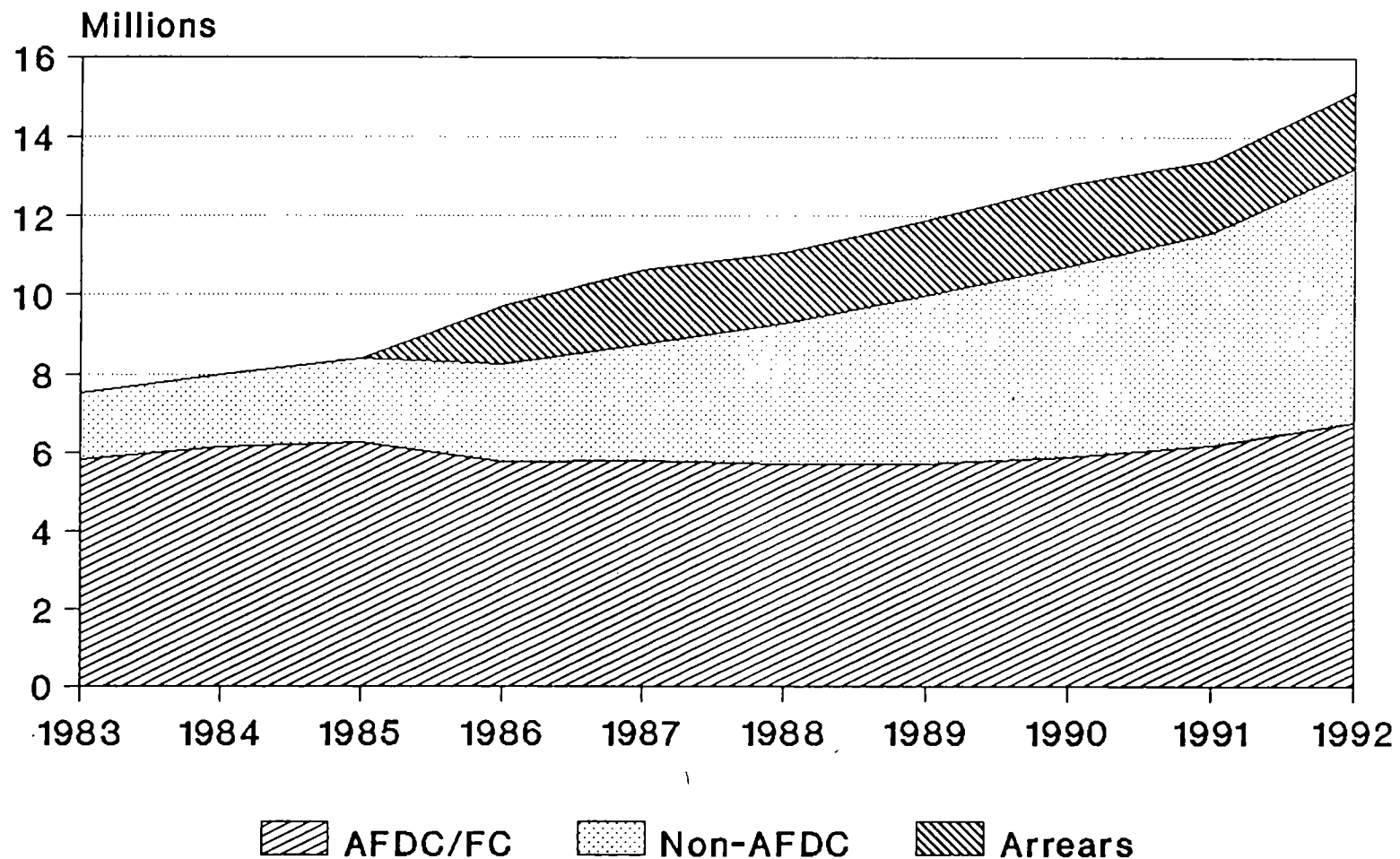
TOTAL DISTRIBUTED COLLECTIONS



Source: OCSE Program Data
FY 1992 Data are Preliminary

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ANNUAL CSE CASELOAD



Source: OCSE Program Data
FY 1992 Data are Preliminary

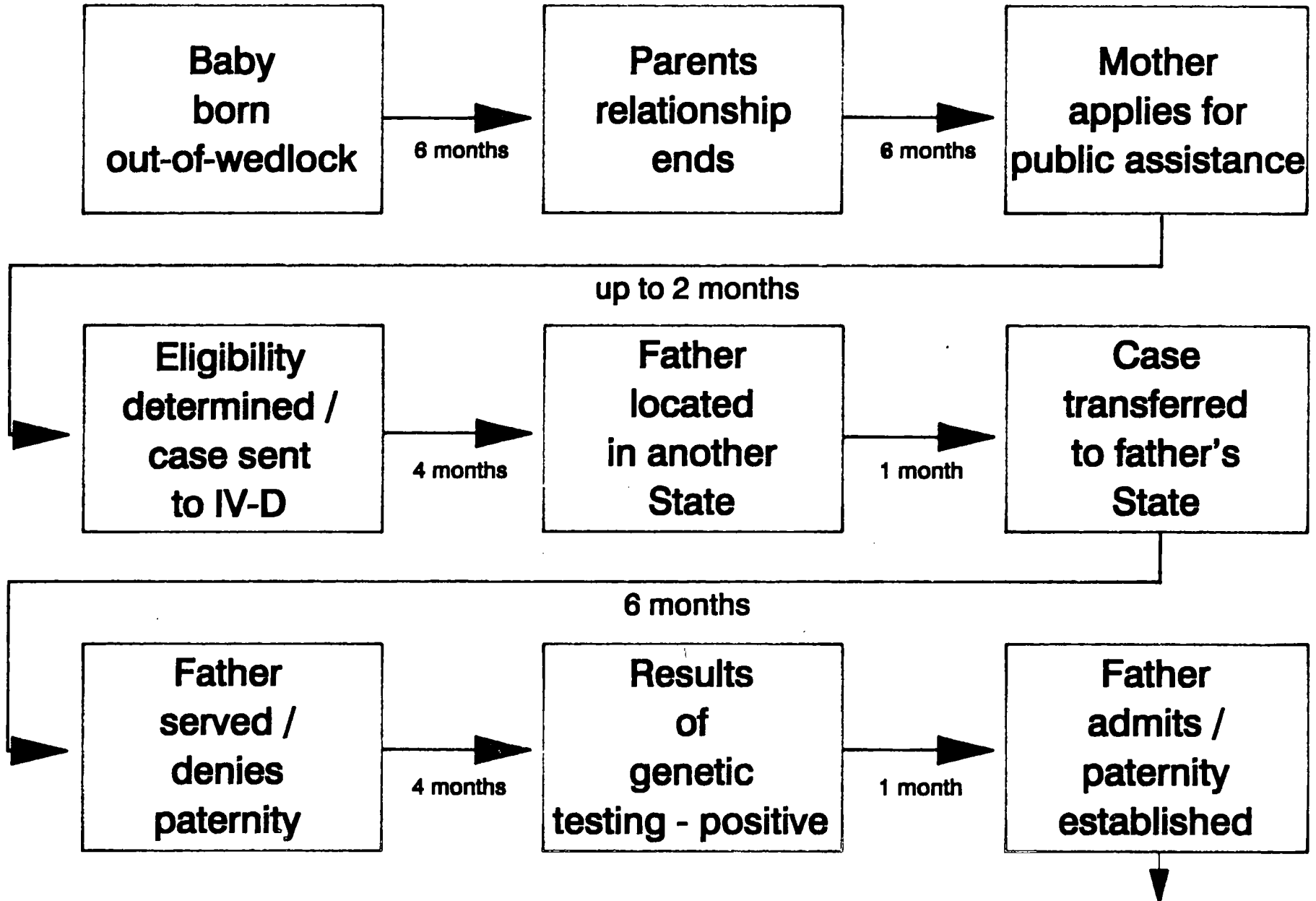
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HYPOTHETICAL PATERNITY ESTABLISHMENT & CHILD SUPPORT CASE

Typical Problems & Delays

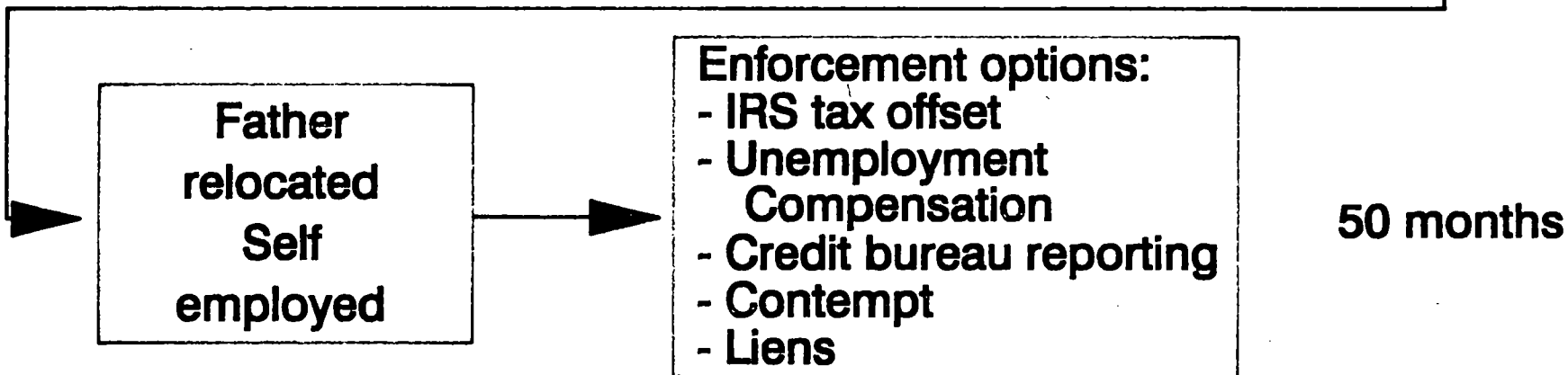
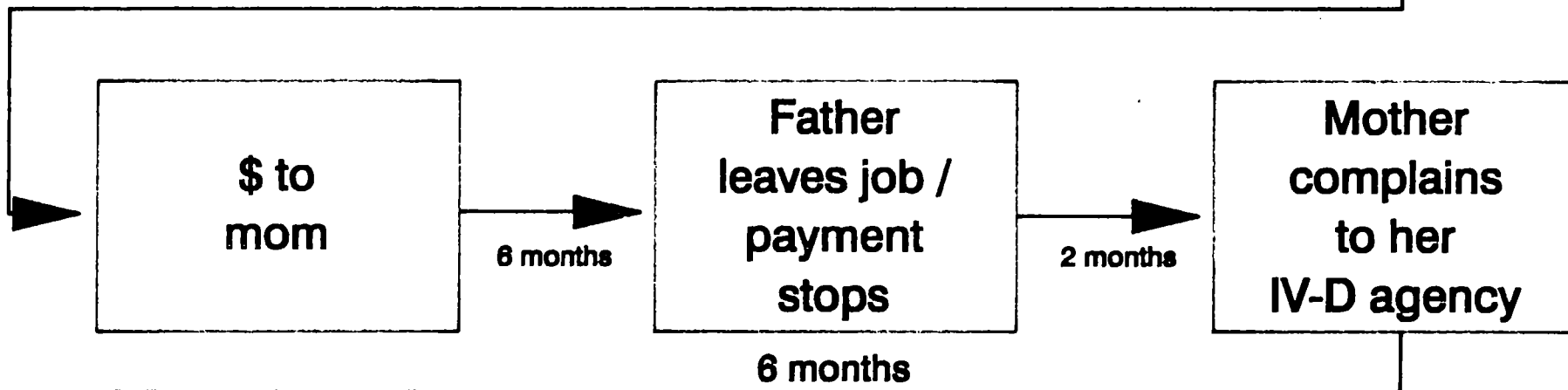
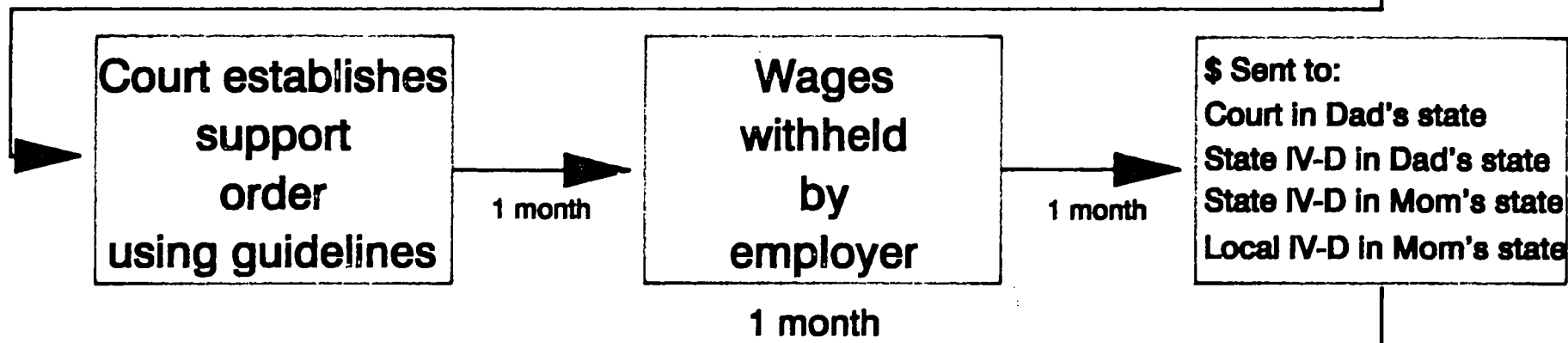
<u>Age of Child</u>	<u>Action/Event</u>	<u>Problem</u>
0	Unwed mother gives birth to a child at a hospital	No attempt is made to establish paternity at time of birth
1	Mother applies at welfare office for assistance and enters the welfare system case load	No attempt is made to establish paternity until mother goes on welfare
2	Case file reaches top of pile in the IV-D office	IV-D office is another agency and is understaffed
3	Paper served, blood test made, trial is held, and support set	Court system is overburdened and slow
4	Father is summoned to court after failure to pay	Enforcement actions are slow due to lack of staff & resources
5	Father moves to another state; case is transferred	Interstate processing causes significant delay
6	Mother takes a job and moves off welfare	Agency makes little effort when not pushed by mother
7	Mother pushes agency; father is brought to court	Court system delays
8	Father moves up into higher paying job; wages garnished	Support payment not adjusted unless mother pushes for review
9	Father quits current job and finds a new job	Father's new job location is hard to identify
10	Father moves to another state; case is transferred	Delays continue

PATERNITY CASE PROCESSING



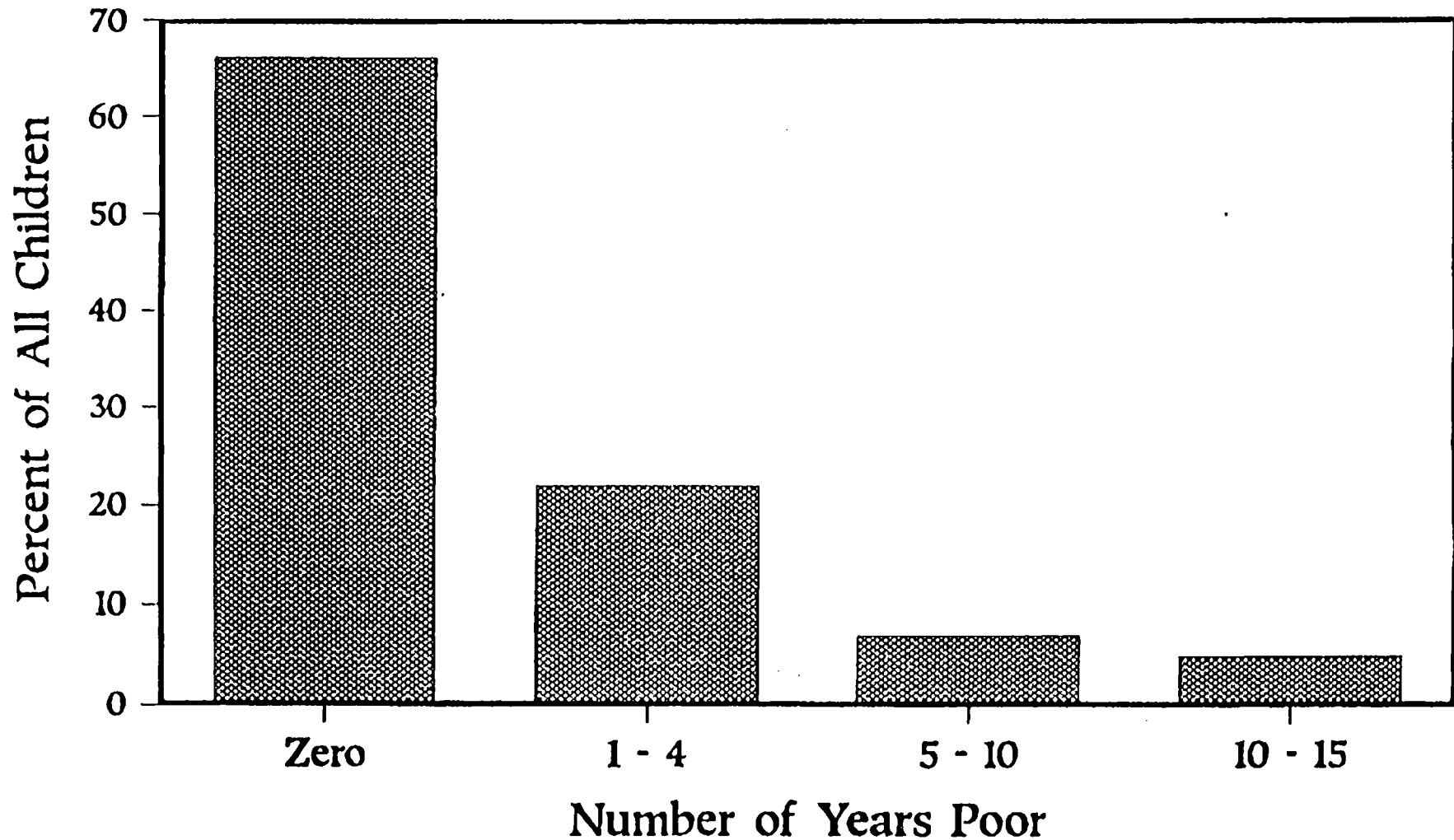
PATERNITY CASE PROCESSING

3 month

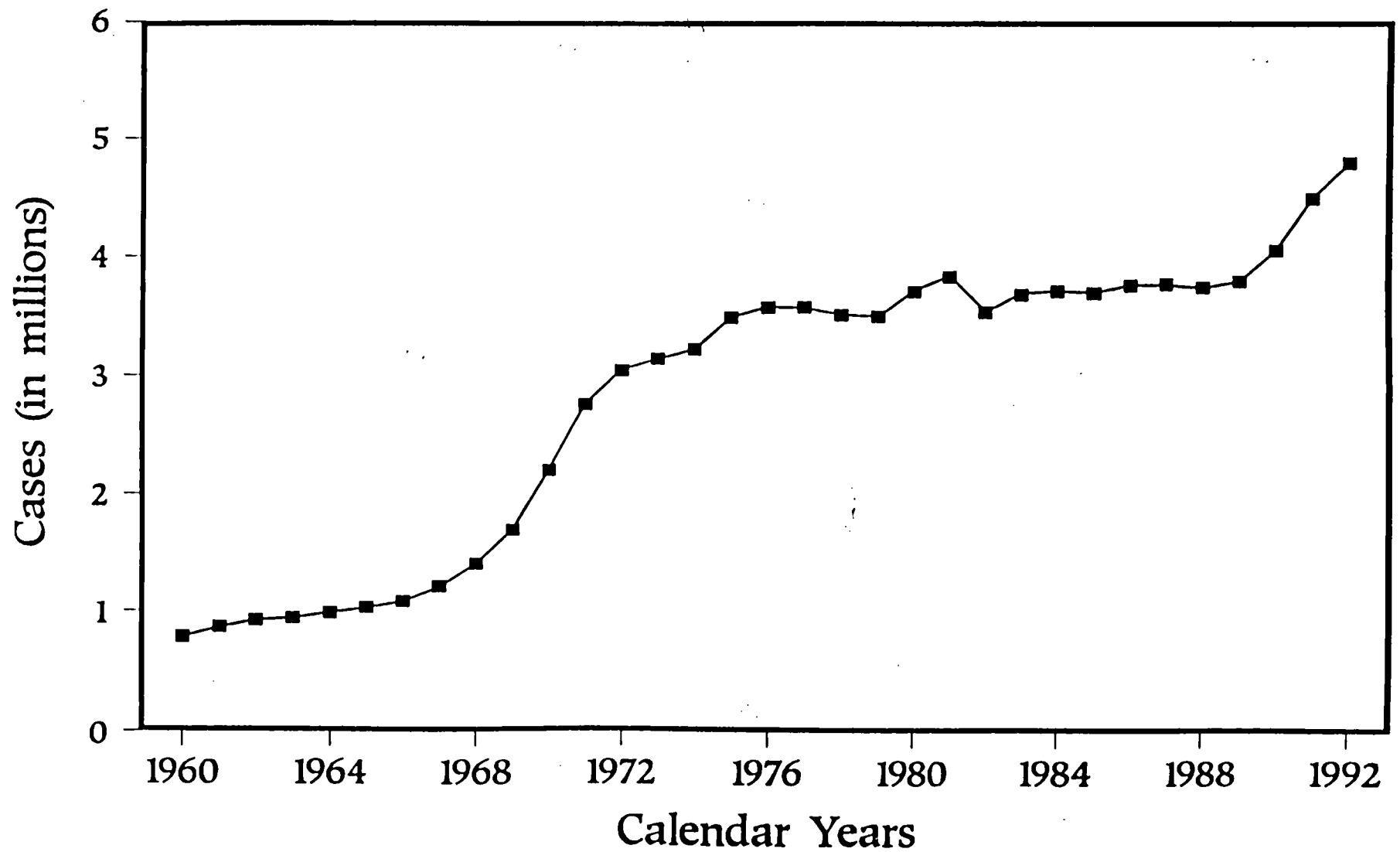


50 months

Incidence of Short Term and Persistent Poverty

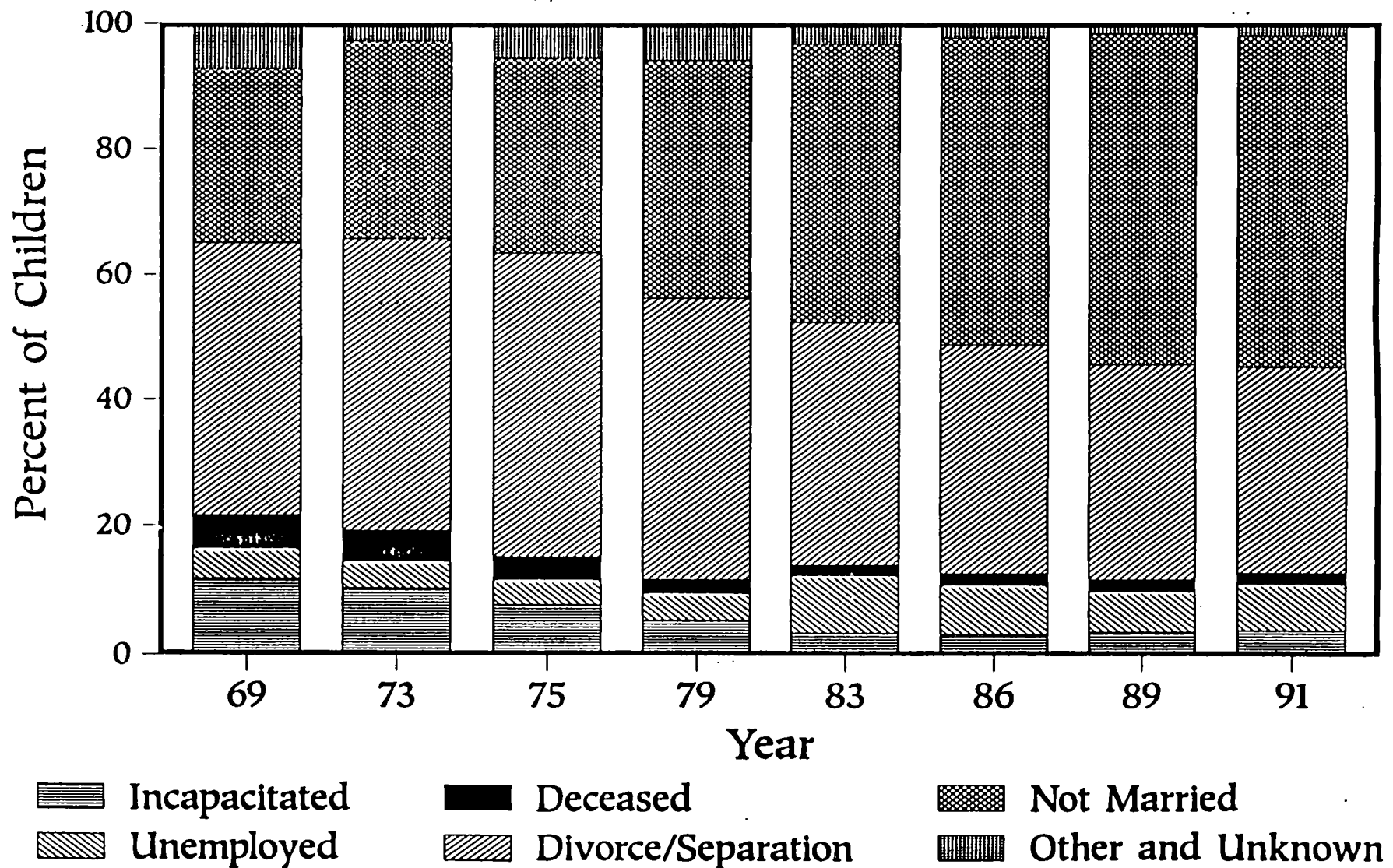


AFDC Caseload



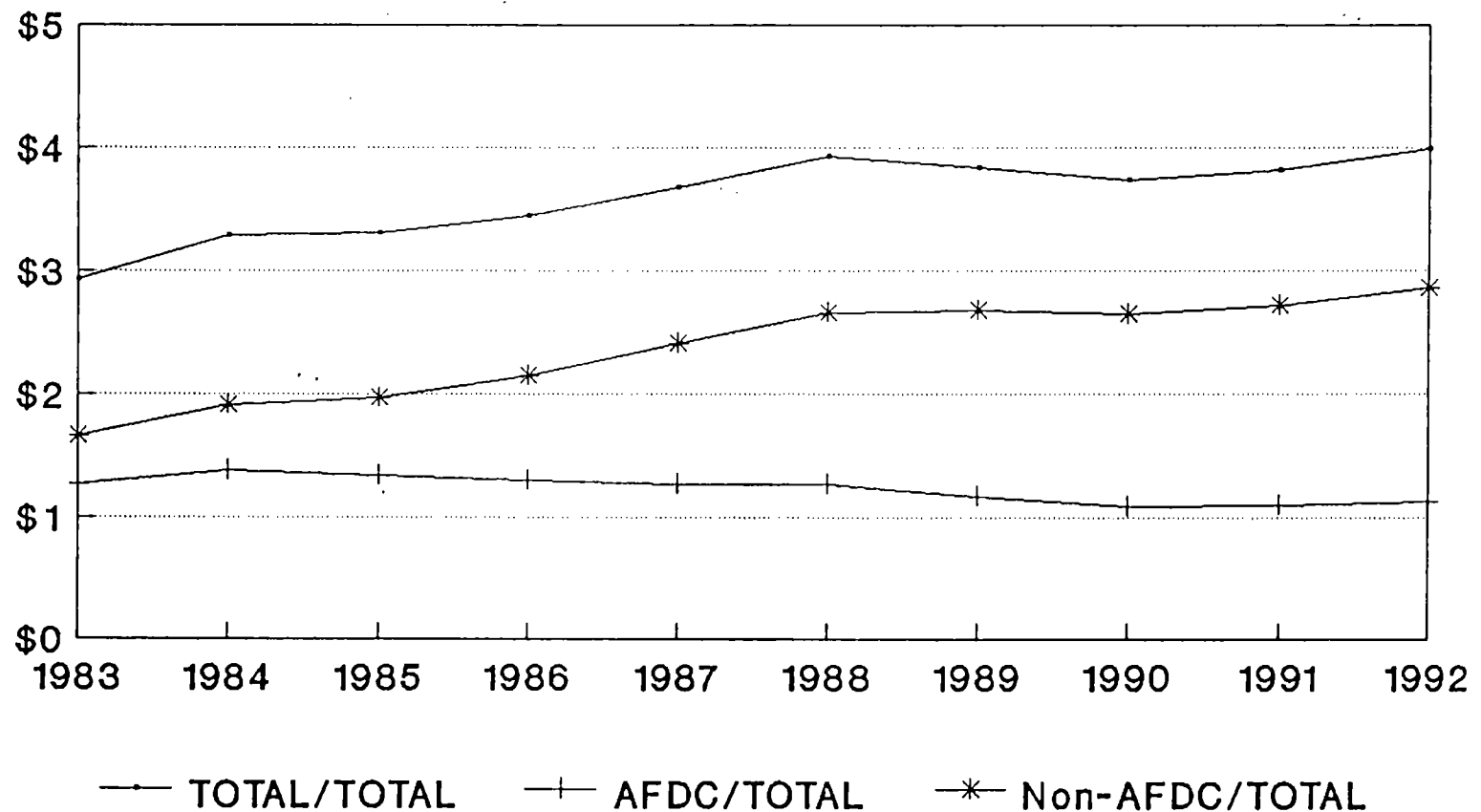
Basis of Eligibility for AFDC

1969 - 1991



COST EFFECTIVENESS

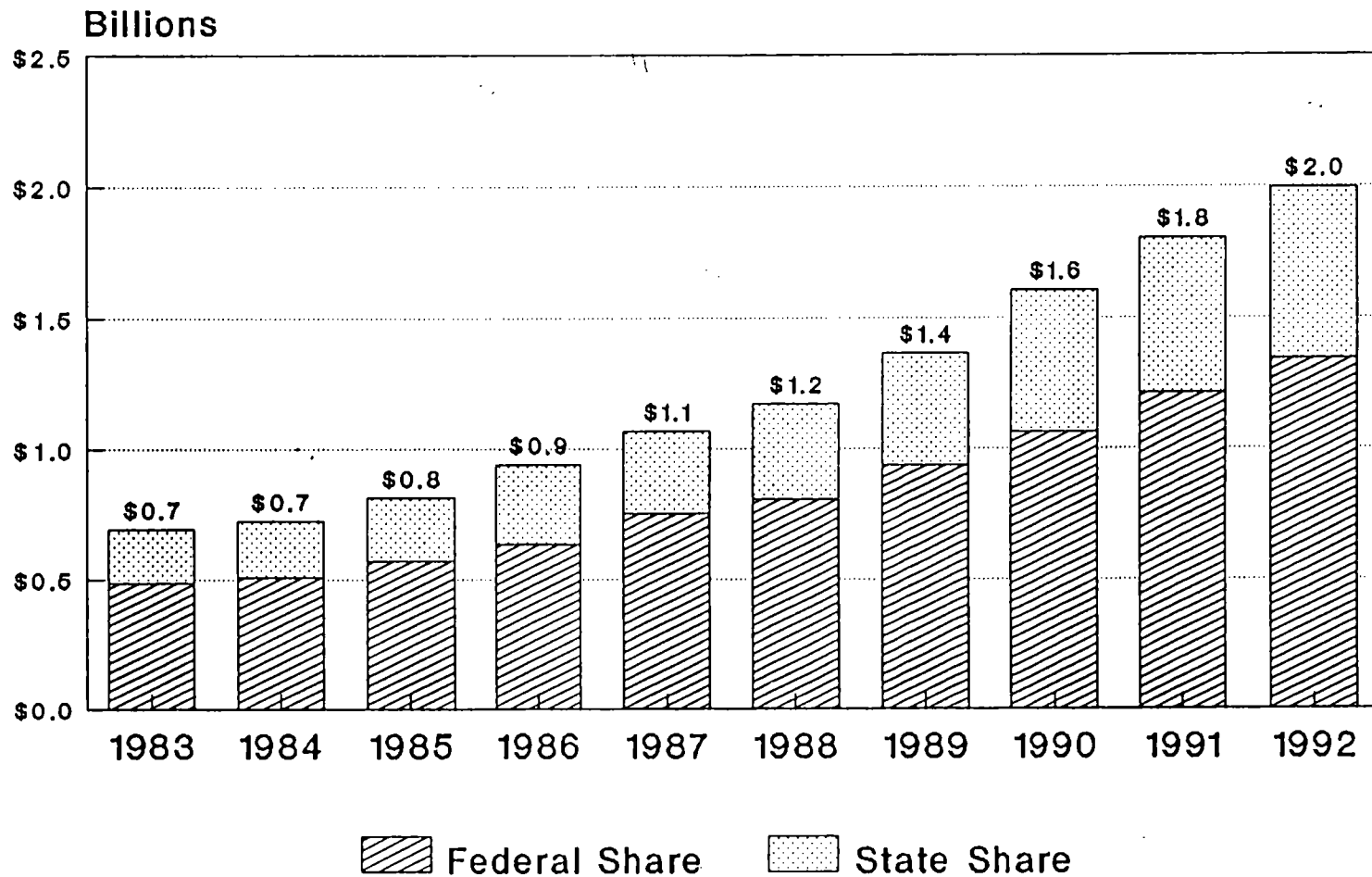
(TOTAL COLLECTIONS PER DOLLAR OF
TOTAL ADMINISTRATIVE EXPENDITURES)



Source: OCSE Program Data
FY 1992 Data are Preliminary

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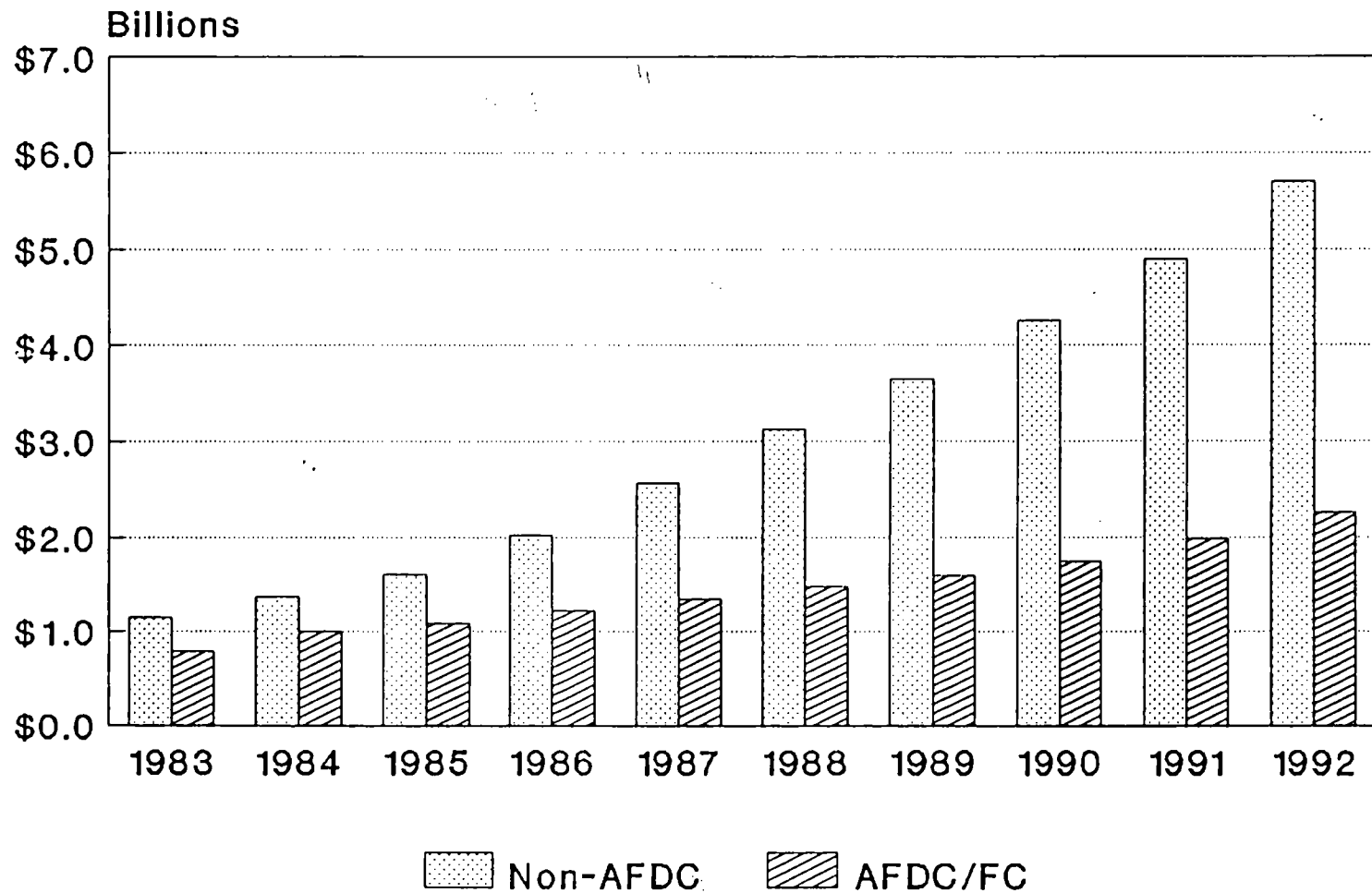
ADMINISTRATIVE EXPENDITURES



Source: OCSE Program Data
FY 1992 Data are Preliminary

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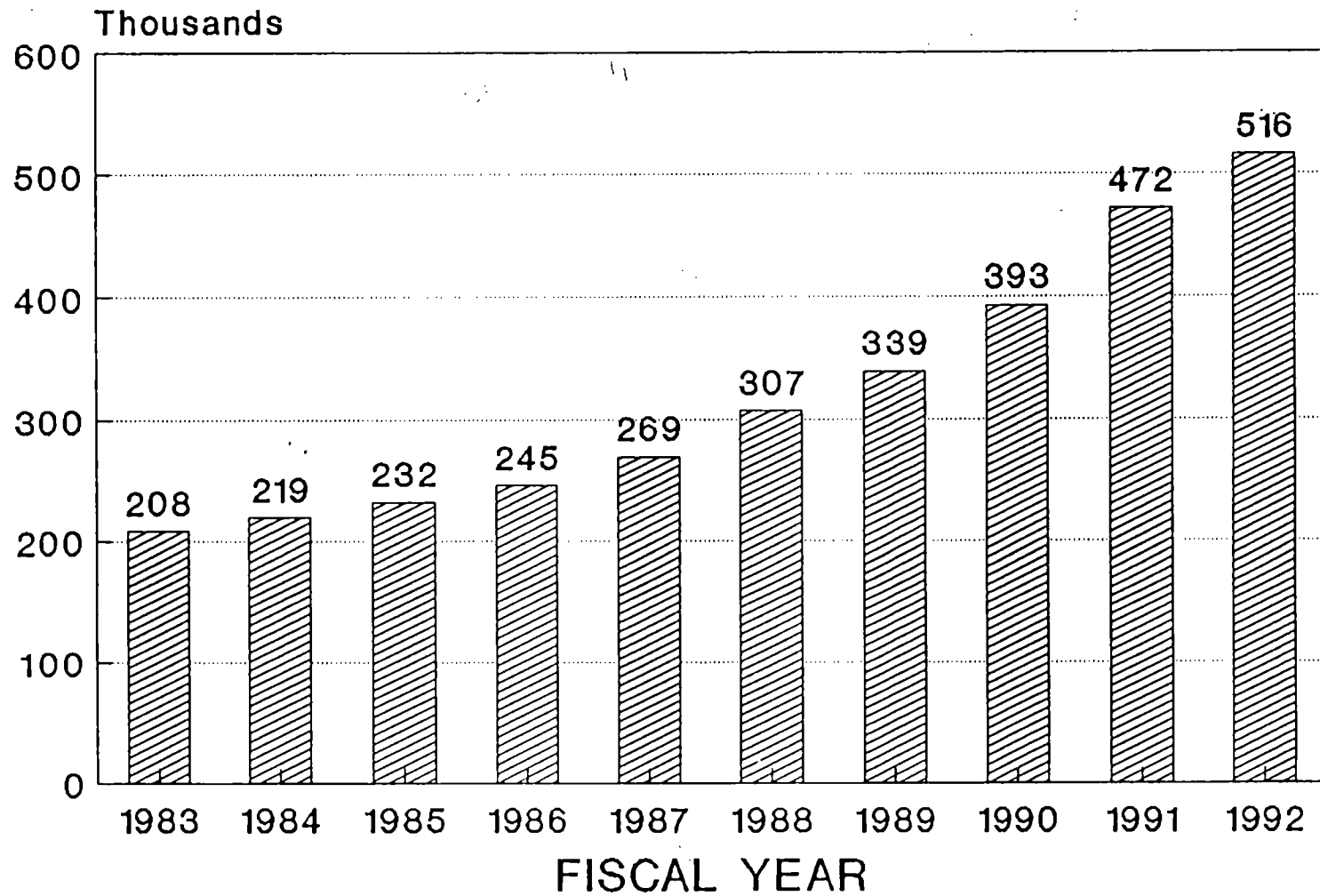
DISTRIBUTED COLLECTIONS



Source: OCSE Program Data
FY 1992 Data are Preliminary

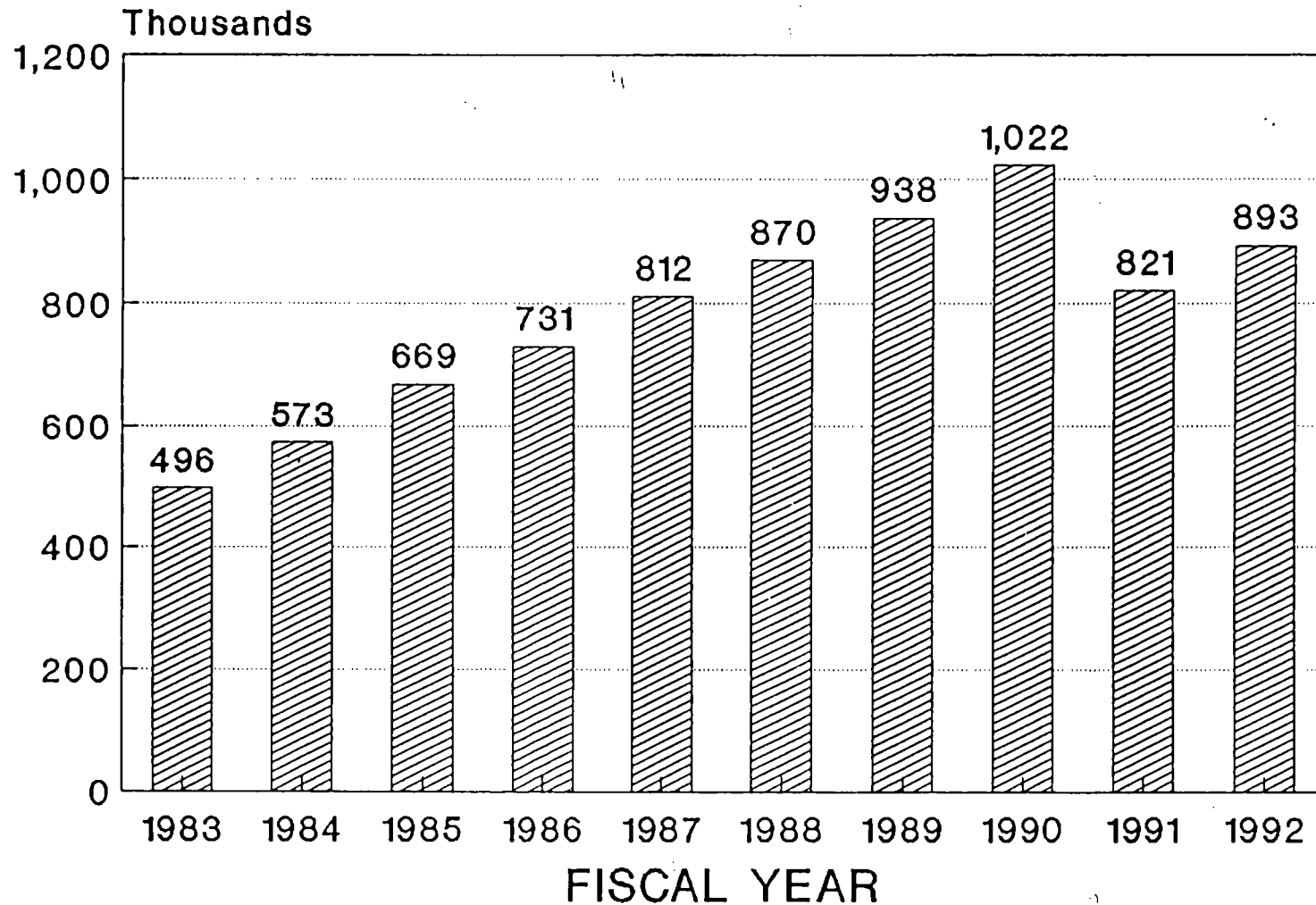
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PATERNITIES ESTABLISHED



Source: OCSE Program Data
FY 1992 Data are Preliminary

SUPPORT ORDERS ESTABLISHED



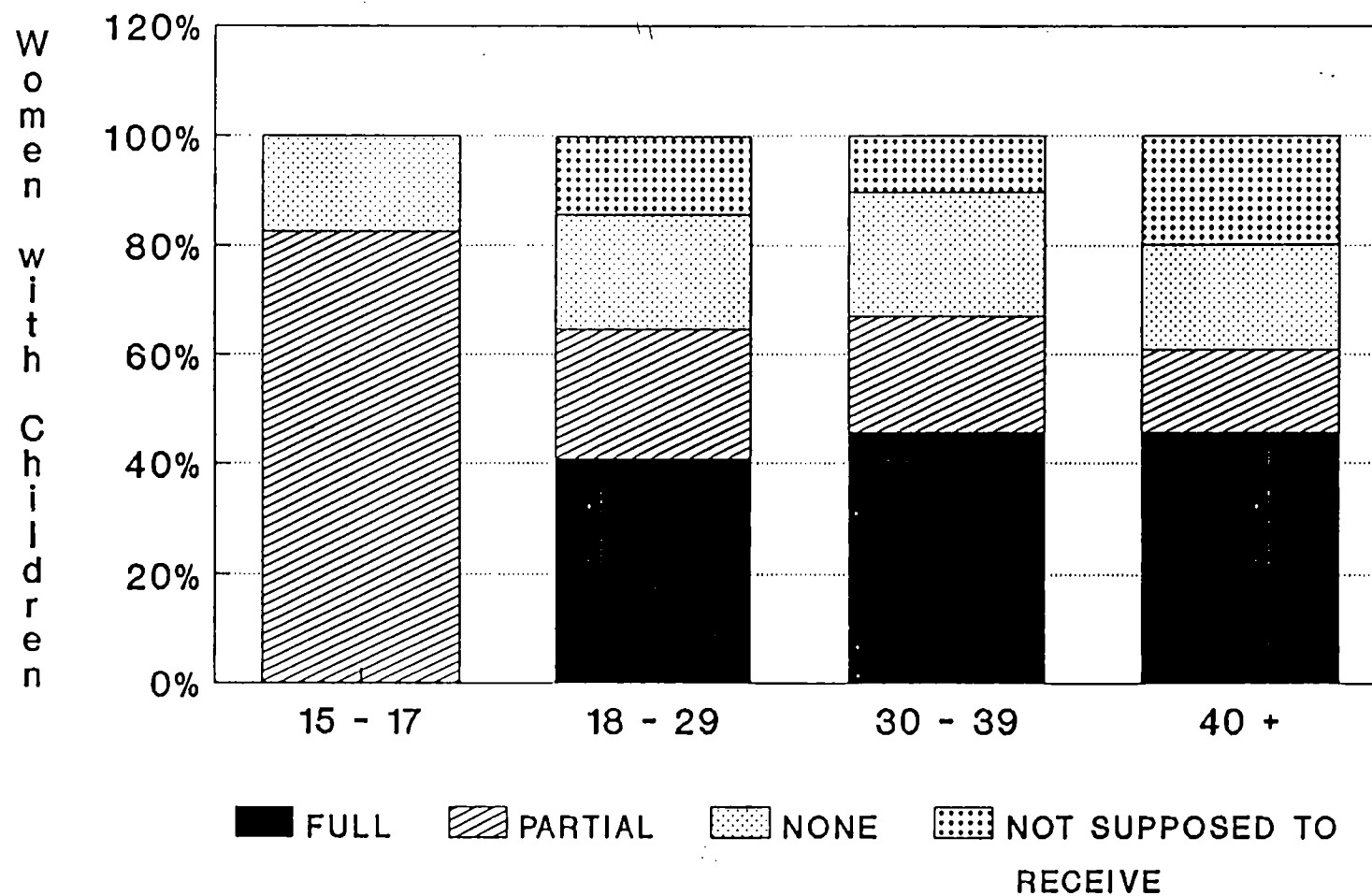
Source: OCSE Program Data

FY 1992 Data are Preliminary

Due to new reporting requirements effective FY 1991 which separate data on new and modified support orders, support obligations established for prior years are not comparable to FY 1991 and 1992 numbers.

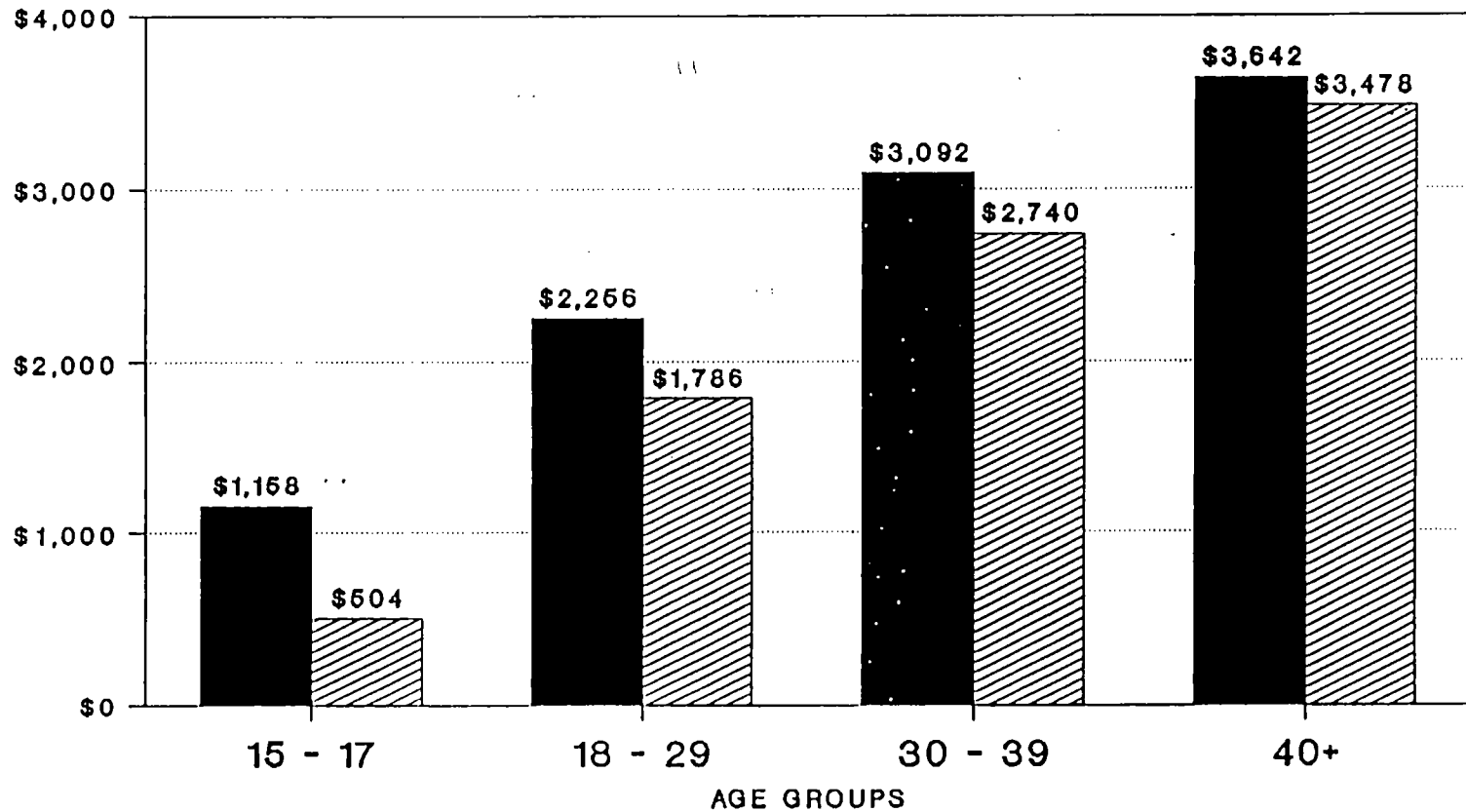
SO10YR.CHT

AWARD AND RECIPIENCY STATUS OF MOTHERS (BY AGE GROUPS)



Source: Current Population Reports,
Consumer Income, P-60, No.173

ANNUAL MEAN CHILD SUPPORT SUPPOSED AND ACTUALLY RECEIVED



■ SUPPOSED ▨ ACTUAL

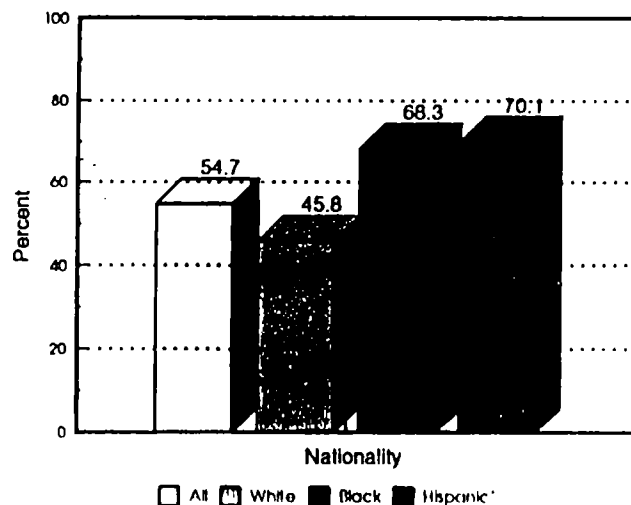
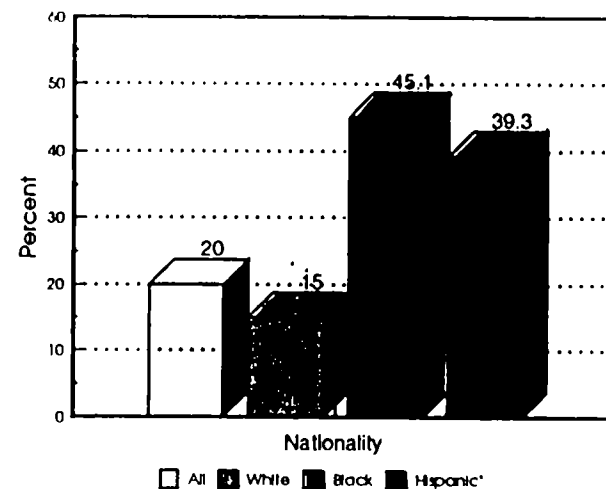
Source: Current Population Reports,
Consumer Income, P-60, No. 173

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Table B: Poverty Status of Related Children Under 18 Years in Families, by Type of Family, Race, and Hispanic Origin: 1987

Point #1: Children in Poverty

Approximately 20% of all children in all families were in poverty in 1987; 45% of the children in all Black families were in poverty and 39% of children in all Hispanic families were living in poverty.



Point #2: Female-Headed Households

More than half of all children in families headed by a woman with no husband were living in poverty.

* Persons of Hispanic origin may be any race.
Source: Current Population Reports, Department of Commerce

FRAGMENTATION OF CHILD SUPPORT PROGRAM

	State IV-D Agency	Local IV-D Agency	County Prosecutor	Court	Clerk of Court
Location	X	X	X		
Paternity		X	X	X	
Establishment		X	X	X	
Enforcement	X	X	X	X	
Collection	X				X
Review & Adjustment		X	X	X	

Table 1
Financial Overview for Five Consecutive Fiscal Years

	1988	1989	1990	1991	1992
Total IV-D Collections (\$000)	\$4,605,018	\$5,240,676	\$6,010,125	\$6,885,619	\$7,951,148
AFDC/FC Collections	1,485,597	1,593,067	1,750,125	1,983,962	2,252,595
State Share	524,858	563,265	620,001	699,647	785,894
Federal Share	449,027	457,572	532,737	625,601	736,887
Payments to Families	289,305	306,581	333,727	381,150	430,455
Incentive Payments	222,406	265,649	263,660	277,564	299,366
Non-AFDC Collections	3,119,422	3,647,609	4,260,000	4,901,657	5,698,553
Total IV-D Administrative Expenditures (\$000)	\$1,170,714	\$1,363,209	\$1,606,065	\$1,804,104	\$1,994,710
State Share	366,263	425,581	545,192	592,520	651,814
Federal Share	804,451	937,628	1,060,872	1,211,584	1,342,896
Cost-Effectiveness Ratios					
Total/Total	3.93	3.84	3.74	3.82	3.99
AFDC/Total	1.27	1.17	1.09	1.10	1.13
Non-AFDC/Total	2.66	2.68	2.65	2.72	2.86

Source: OCSE Financial Data as Reported by the States.

Note: Data for fiscal year 1992 are preliminary.

Table 2

Statistical Overview for Five Consecutive Fiscal Years

	1988	1989	1990	1991	1992
Total IV-D Caseload	11,077,603	11,878,435	12,796,388	13,422,739	15,160,044
AFDC/FC Caseload	5,702,756	5,708,730	5,871,637	6,166,438	6,755,640
Non-AFDC Caseload	3,576,978	4,266,395	4,842,894	5,388,503	6,453,014
AFDC Arrears Only Caseload	1,797,869	1,901,310	2,081,857	1,867,798	1,951,390
AFDC and AFDC Arrears Only Caseload	7,500,625	7,610,040	7,953,494	8,034,236	8,707,030
Total Cases for Which a Collection was Made	1,885,224	2,107,246	2,287,820	2,588,291	2,834,517
AFDC/FC Cases with Collections	621,083	657,585	700,803	755,328	831,150
Non-AFDC Cases with Collections	1,083,125	1,247,228	1,362,821	1,554,740	1,748,410
AFDC Arrears Only Cases with Collections	181,016	202,433	224,196	278,223	254,957
Percentage of Total Cases with Collections	17.0%	17.7%	17.9%	19.3%	18.7%
Percent of AFDC/FC Cases with Collections	10.9%	11.5%	11.9%	12.2%	12.3%
Percent of Non-AFDC Cases with Collections	30.3%	29.2%	28.1%	28.9%	27.1%
Percent of AFDC Arrears with Collections	10.1%	10.6%	10.8%	14.9%	13.1%
Total Locations Made	1,387,924	1,628,120	2,061,709	2,577,082	3,703,891
Total Paternities Established	307,135	339,243	393,304	472,105	515,557
Total Support Orders Established	n.a.	n.a.	n.a.	820,917	892,852
Percentage of AFDC Payments Recovered	9.8%	10.8%	10.3%	10.7%	11.4%

Source: OCSE Statistical Data as Reported by the States.

Note: Data for fiscal year 1992 are preliminary.

Table 5
Program Trends – FY 1991–1992

	1991	1992	Percent Change
Total IV-D Collections (\$000)	\$6,885,619	\$7,951,148	15.5%
AFDC/FC Collections	\$1,983,962	\$2,252,595	13.5%
Non-AFDC Collections	\$4,901,657	\$5,698,553	16.3%
Total IV-D Administrative Expenditures (\$000)	\$1,804,104	\$1,994,710	10.6%
Total IV-D Caseload	13,422,739	15,160,044	12.9%
Total Cases for Which a Collection was Made	2,588,291	2,834,517	9.5%
Total Locations Made	2,577,082	3,703,891	43.7%
Total Paternitys Established	472,105	515,557	9.2%
Total Support Orders Established	820,917	892,852	8.8%

Source: OCSE Financial and Statistical Data as Reported by the States.

Note: Data for fiscal year 1992 are preliminary.

Withdrawal/Redaction Marker

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FOLDER TITLE:

Working Group [6]

2013-0854-S

ms682

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[001]

I am Pat Forehand, the mother of two girls, Stacy age 7 and Becky age 5, who are owed over \$10,000 in unpaid child support. When I am able, I work as a nurses aide (b)(6) (b)(6)

(b)(6) because we have not received any child support payments in over a year. The girls' father was ordered to pay \$264 per month in child support when he left us and moved to Louisiana 5 years ago. I immediately contacted my local child support agency in Wisconsin and gave them the address and place of employment of my children's father in Louisiana. The girls have received support, but the payments have not been consistent. During periods when I have been sick (b)(6) (b)(6) because the child support is not coming with any regularity.

In early 1989, Wisconsin decided to file an URESA petition to the state of Louisiana to try to obtain child support for my daughters. It took 8 months for the paperwork to leave Wisconsin and when it finally did leave, they sent it to the wrong place in Louisiana and eventually it was lost. Neither Louisiana nor Wisconsin knows what happened, each state is blaming the other for losing the paperwork.

At the end of 1989 my children's father began to voluntarily make regular child support payments. The payments were finally coming on time every month, but this only lasted for a few months because once again, they stopped coming.

The Wisconsin child support agency would not try to locate the girls' father. They told me that I had to find out where he lived and where he was working. When I did find out that he was living and working in Texas, the Wisconsin child support agency refused to send any paperwork to Texas because they said that Texas will not cooperate on interstate cases. I was told that I should just forget about receiving child support as long as he continued to live in Texas. Now I have learned that my children's father is no longer living in Texas, but my local agency tells me that since this case is a little more difficult, and because the agency does not have enough staff or resources they will not spend any more time or money on this case. The only reason this case has been difficult is because Wisconsin refuses to take any action.

Because of the lack of cooperation between the states, my daughters as well as many other children in the U.S. are in desperate need of a national, uniform child support system. The Office of Child Support Enforcement (OCSE) needs to be placed within the IRS. No child should have to go through the financial devastation that my daughters have had to experience as a result of not receiving their child support.

I am Julianne Rice, a single parent with two children who are entitled to child support totaling \$12,000. I work full time as a clerk, I earn (b)(6). I applied for child support services at the Los Angeles District Attorney's Office in 1988. At that time, I gave them my ex-husband's last known address which was in Kansas. I specifically told the DA's office that I was unsure of the his social security number and did not believe he was still in Kansas.

The Los Angeles District Attorney's Office never verified the address or social security number I had given them. Instead, they sent an URESA to Kansas. Kansas then spent almost three years trying to serve papers to the wrong person. I have made several calls to the Los Angeles District Attorney's Office, the Kansas Child Support Office, the State IV-D Office in Sacramento, California and the Federal Regional Offices of Child Support. None of these government agencies have ever tried to verify his address or given me adequate or regular status reports. The Los Angeles District Attorney's Office has not made any attempts to locate my ex-husband.

Out of desperation in November of 1990, I hired a private investigator, who in 20 minutes, located my ex-husband. I gave all of this information to the Los Angeles District Attorney's Office on December 5, 1990. Once again the DA's office took no action on my case and nothing else has been done since that time.

(b)(6)

(b)(6)

If the government child support agencies began collecting the support and made my ex-husband get medical coverage for my children, (b)(6)

(b)(6)

I am Marie Sims and I live in Detroit, Michigan. I am an African American single parent. My six year old son and I (b)(6) because he has not received regular timely payments since the court order was established in 1985. When Ashley was born we lived in Chicago, paternity was established when he was four months old. Ashley's father was ordered to pay \$240 a month. Shortly after paternity was established he moved to Mississippi. Since he has been in Mississippi he has easily been able to abandon his child and fail to meet his legal and moral child support obligations.

The child support agency has been able to attach his IRS tax refund twice. Yet, they tell me that they cannot locate his place of employment. This does not make any sense, the place of employment is listed on the W-2 attached to the tax return. This must be on file in order for the agency to take the tax refund to collect the child support arrearages. It should be a routine activity for the IRS to report the employer listed on the tax return to the child support agency, so that a payroll deduction to collect the child support can be done.

In the 6 years that I have been trying to collect support, the child support agency has never taken any enforcement action on my case without prompting. The only action ever taken on my case is when I called and specifically told them what to do. What happens to all the children whose mothers don't know they can request specific actions? What happens to all the children whose parents are unable to specifically ask for action, because they do not know the child support laws? What happens to all the children whose parents don't have assertive personalities?

Government agencies should know what action to take to locate absent parents, and what action to take to collect the support payments. They should take this action without having to be called and reminded to do so. Federal law currently requires this, yet the government ignores its' own laws!

My recommendations for improving the child support system are to improve communication between the IRS and the child support agencies. To make the IRS take a more active role in enforcement such as enforcing and collecting payments. They have income information on self-employed non-payers from 1099 forms, they have employer information from W-2's filed with returns, they are experts in collecting money. Right now the only action they take is attachment of income tax refunds and IRS Full Collection Service. The IRS Full Collection Service is rarely used, because the IRS charges the state \$122.50 per case. State Child Support Agencies will not spend that much money on a case, even when it would move a child out of poverty.

State Child Support Agencies say our children are not worth them paying \$122.50, they want the low income mothers to pay the \$122.50. This is impossible for most low income single parents. There should not be a fee for the IRS Full Collection Service.

It makes sense for the IRS - who is a federal agency, and deals with all of the states to be much more active on interstate cases and to be involved in enforcement and collection of payments. It is time to make children as important as taxes in the U.S.

THE IMPACT OF NONSUPPORT

- o FOR THE CUSTODIAL PARENT, TYPICALLY A WOMAN

"WHAT LOOKS LIKE A DOLLARS-AND-CENTS ISSUE HAS FAR-REACHING IMPLICATIONS FOR EVERYBODY IN THE FAMILY."

* * * * *

"EVEN PERIODIC LAPSES IN SUPPORT PAYMENTS CREATE A CHRONIC SENSE OF PANIC IN THE CUSTODIAL MOTHER."

* * * * *

"LEARNING TO BUDGET YOUR MONEY--THAT'S A JOKE WHEN YOUR INCOME IS ERRATIC.

THE MOTHER'S ANXIETY OVERSHADOWS THE CHILDREN'S LIVES OF COURSE."

* * * * *

"FOR THE POOR AND FOR THOSE WITH NO ACCUMULATED SAVINGS, PULLING OUT THE SECURITY BLANKET OF CHILD SUPPORT PRODUCES ANGER, DEPRESSION AND FRIGHT--ALL OF WHICH CAN SPELL OVER TO THE CHILDREN."

(SOURCE: FERN MARJA BECKMAN, WORKING MOTHER, FEBRUARY 1977)

THE IMPACT OF NONSUPPORT (CONT.)

o FOR SOCIETY AT LARGE

"EXCEPT FOR TRAFFIC COURT, MORE AMERICANS COME INTO CONTACT WITH OUR JUDICIAL SYSTEM THROUGH THE FAMILY COURTS THAN THROUGH ANY OTHER ASPECT OF THE LAW. IT IS ESTIMATED THAT TWO-THIRDS OF THE CHILDREN BORN THIS YEAR WILL ENCOUNTER THE CHILD SUPPORT SYSTEM: HALF WILL BE NAMED AS RECIPIENTS OF CHILD SUPPORT, HALF WILL BE EITHER PAYORS OR PAYEES WHEN ADULTS. IT IS NO WONDER THAT THERE IS AN EROSION OF CONFIDENCE IN OUR COUNTRY'S LAWS AND INSTITUTIONS WHEN COMPLIANCE IS SO LOW WITH COURT ORDERS RELATED TO SOMETHING OF SUCH IMPORTANCE."

(SOURCE: REPRESENTATIVE BARBARA KENNELLY OF CONNECTICUT, NOVEMBER 1983).

A. ORGANIZATIONAL FRAGMENTATION AND LACK OF ACCOUNTABILITY

"THE SYSTEM FOR COLLECTING SUPPORT IS A JUMBLE OF UNCONNECTED PARTS, EACH CREATED FOR A DIFFERENT PURPOSE AND NONE EXISTING PRIMARILY TO FACILITATE SUPPORT COLLECTION. THE SYSTEM LACKS CENTRALIZED AUTHORITY: MANY AGENCIES ARE RESPONSIBLE FOR SOME PIECE OF THE PROCESS, BUT NO SINGLE PERSON OR GROUP HAS OVER-ALL RESPONSIBILITY. THIS LACK OF ORGANIZATION CAUSES CONFUSION AND DELAY, FRUSTRATING AND DISCOURAGING THOSE SEEKING THE MONEY THEY NEED TO SURVIVE. THOUGH THERE ARE SEVERAL AVENUES BY WHICH SUPPORT CAN BE OBTAINED, PARENTS GET LITTLE OR NO GUIDANCE TO HELP THEM CHOOSE THE ROUTE MOST LIKELY TO BE EFFECTIVE."

(SOURCE: "ECONOMIC CHILD ABUSE; A REPORT ON CHILD SUPPORT ENFORCEMENT IN MASSACHUSETTS," SOUTH MIDDLESEX OPPORTUNITY COUNCIL, INC., 1985)

B. INADEQUATE RECORDKEEPING

IT IS "...INDEED DISHEARTENING TO KNOW THAT IT IS POSSIBLE TO CALL THE WASHINGTON SUBURBAN SANITARY COMMISSION AND OBTAIN AN UP-TO-DATE AND ACCURATE READ OUT ON ANY HOMEOWNER'S WATER BILL IN THIS COUNTY, BUT NEXT TO IMPOSSIBLE TO OBTAIN THE SAME INFORMATION WITH REGARD TO THE AMOUNT OF CHILD SUPPORT PAYMENTS DUE, RECEIVED AND DISBURSED ON EVEN THE MOST ROUTINE OF CASES."

(SOURCE: REPORT OF THE TASK FORCE ON CHILD SUPPORT APPOINTED BY THE PRINCE GEORGES COUNTY, MARYLAND COUNTY COUNCIL, MARCH, 1985)

KEY DATA -- FY 1993/FY 1994

Total Unemployment Rate (Civilian) -- 7.2/6.7%

Insured Unemployment Rate -- 2.8/2.8

OUTGO --

◆ Benefits Paid (All Programs) -- \$36.3/27.2 billion

Number of Beneficiaries (All Programs) -- 8.8/9.4 million

Average Duration of Benefits (All Programs) -- 24.0/16.4 weeks

Average Weekly Benefit Amount (All Programs) -- \$171.70/176.20

◆ Administrative Costs -- \$3.9/3.7 billion

$$X 52 = \$8,928.40$$

Average UI
annual equivalent

INCOME --

◆ Payroll Taxes

FUTA -- \$5.7/5.6 billion

State -- \$19.9/21.8 billion

◆ General Revenues (EUC) -- \$12.2/2.2 billion

◆ Interest on State Loans -- \$110/160 million

TRUST FUND BALANCES (END OF FISCAL YEAR) --

◆ State Trust Fund Accounts (Incl. Loans) -- \$28.3/28.5 billion

Net Balance (Excl. Loans) -- \$26.5/25.7 billion

◆ Extended Benefit Account (EUCA) -- \$1.8/2.5 billion

Net Balance (Excl. FUA Loans) -- \$0.3/2.5 billion

◆ Loan Account (FUA) -- \$3.4/4.3 billion

than in prior recessions.

Chart J shows exhaustion information across business cycles.

VII. HOW MUCH DO CLAIMANTS GET--ADEQUACY

Most States attempt to replace about one half of prior weekly wages, up to a maximum.

Nationally, UI replaces 37 percent of prior wages.

High: Hawaii	52 percent
Low: California	29 percent

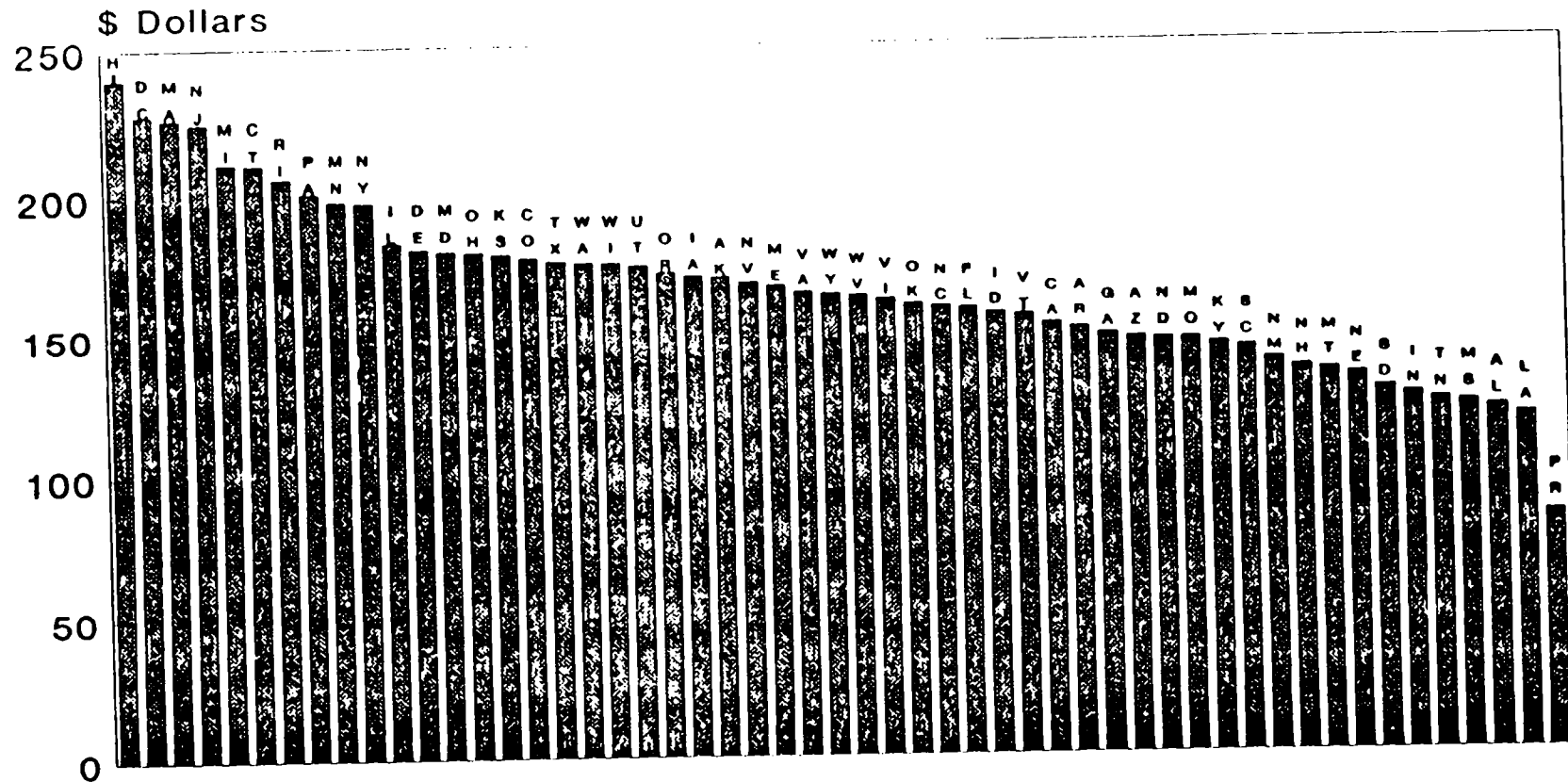
National Average Weekly Benefit Amount (1992): \$174

High: Hawaii	\$240
Low: Puerto Rico	84

Charts K and L rank all states in terms of replacement ratios and benefit amount.

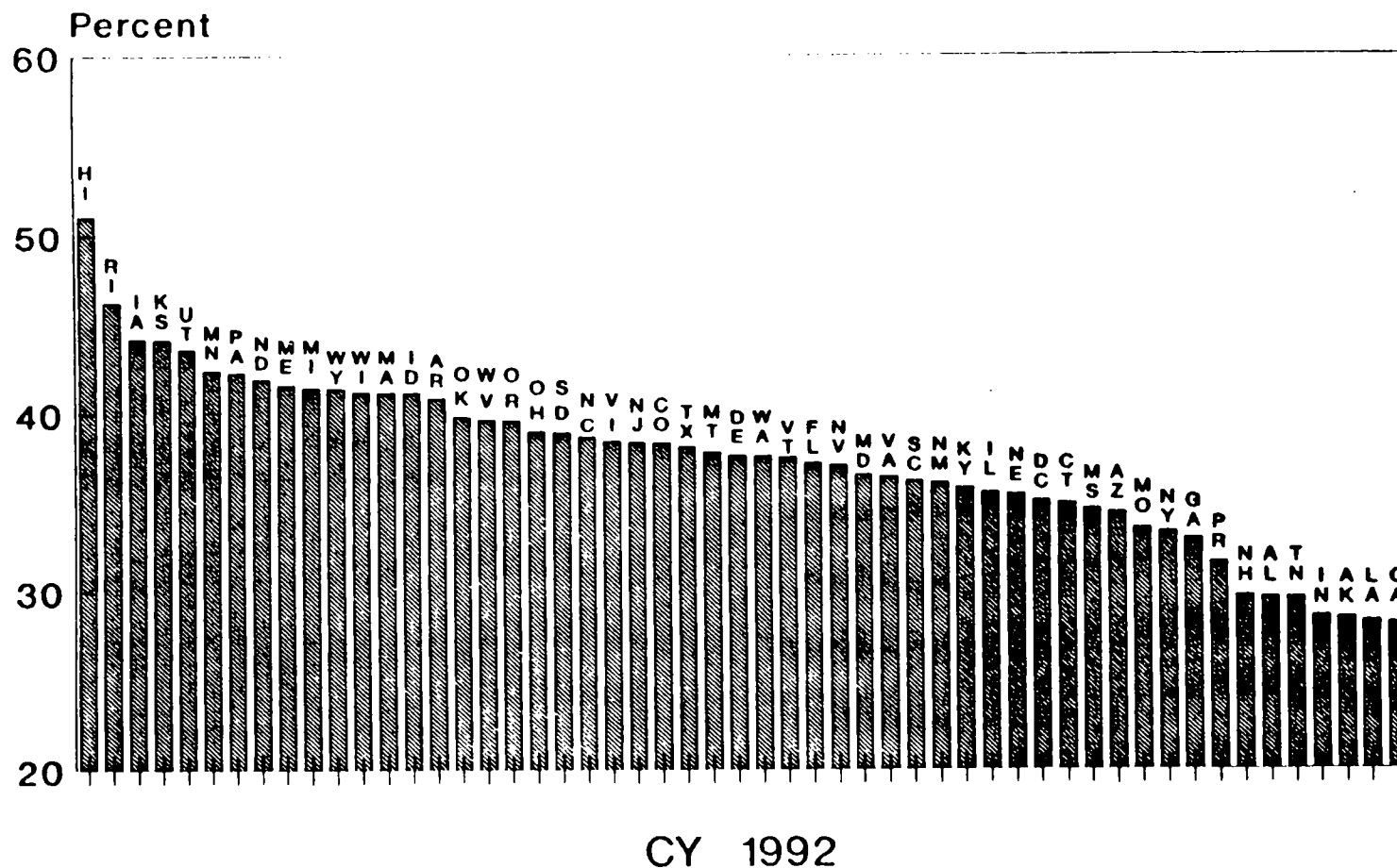
Average Weekly Benefit Amounts CY 1992

*By
State*



Replacement Ratios *By State*

(Average Weekly Benefit / Average Weekly Wage)



SOURCE: USDOL \ ETA \ UIS
Division of Actuarial Services

ways to
raise focus
use -
Donna, 2nd
President.

WELFARE REFORM STEERING COMMITTEE

May 4, 1993

I. Communications/Outreach

- o Review draft Communications Plan
- o List of outside groups to contact
- o Interaction with outside groups -- who makes what calls
- o Communication with Regional offices

Jeremy will
work on video
to be distributed
to interest groups.

II. Public Hearings

- o Format and structure
- o Timing

working paper series
for info flow to Hill/Press.

III. General Counsel Opinion re: FOIA and Development of a Welfare Reform Plan

Rich Tarplin -
HHS has
committed to
developing
a list.

IV. Other Topics

- need to decide whether there are
4 or 5 elements (preventin??)

- need to attend to Republicans on Senate
Finance. - specifically =>

include House Republicans

- Speakers Bureau => Jeremy will set
it up. - need to "educate" outside groups who will be
talking to press.

- intake process centralized at HHS

- Fall rollout planning.

FAMILY INVESTMENT AGREEMENTS

Family Investment Agreements (FIAs) represent a major shift from traditional thinking about "public assistance." This change will empower people to take advantage of options by making real choices. No longer will public assistance be a traditional compliance system where financial sanctions can be imposed for failure to achieve short term requirements. Instead, families will have the opportunity and support to move out of dependence on public assistance, and real consequences will be realized by those who choose not to participate in this process.

FIAs are an opportunity for people to change their life's circumstances. Iowans must have choices and options and the right to exercise them. FIAs establish a system which operationalizes those rights and responsibilities for Iowans receiving public assistance.

It is critical to understand and appreciate the necessity of individualized FIAs. In order to insure the most effective and efficient system, clients who have the potential to move into self-sufficiency with short-term assistance should be able to do that without experiencing barriers which impede their progress. Likewise, clients who require extensive long-term agreements should receive appropriate assistance without facing an arbitrary cutoff date. Therefore, it would be inappropriate to establish a standard length for all FIAs. The FIA worker must have an understanding of the full range of programs and resources which may affect the FIA. He/She will need the flexibility to develop the most effective and efficient FIA. Quality initial training and ongoing staff development of the FIA workers will be critical to the success of the FIAs.

At present, many Aid to Dependent Children (ADC) recipients participate in PROMISE JOBS. The Iowa Family Investment Program (IFIP) will replace the traditional ADC program, and the FIA activities and services will be folded into PROMISE JOBS. Just as the program names will change, so will some important policies and their philosophical underpinnings change. A major philosophical change is in the new approach to "barriers to participation," and "sanctions for nonparticipation."

Currently, PROMISE JOBS regulations describe a number of barriers (e.g., lack of transportation) which can establish a "good cause" for not participating. Within the context of the FIA, these so-called barriers would be identified as issues to be resolved so that participation could result.

The concept of "sanctions" is also revised in the FIA system. The Family Support Act requirements for a conciliation process and the progressive punishment system of first, second, and third sanction policies were implemented in PROMISE JOBS. This process, whether it leads to resumed participation or to a reduction of the ADC grant, is lengthy and cumbersome and effectively delays participation in self-sufficiency activities without providing the resources for resolution of the problems which lead to nonparticipation.

In the new FIA environment, lack of effort or refusal to participate will result in a modification of the FIA (see Step 7.C.) and can lead to termination of assistance, rather than the cumbersome and ineffective fluctuation in monthly payments. The reason for these changes is grounded in the belief that Iowans in need of public assistance want and deserve the choice and responsibilities inherent in the FIA--not the rigid rules and punishments inherent in the Family Support Act sanctions policies of PROMISE JOBS.

Following is a step-by-step example of how the FIA system could work.

- Step 1: A person applies at a county DHS office for assistance through the Iowa Family Investment Program (IFIP). The application for services includes a brief explanation of FIAs.
- Step 2: The client is determined eligible for assistance by the DHS income maintenance (IM) worker and receives a full orientation by FIA staff as to what an FIA involves.
- Step 3: At this step, the client has two options:
- A. Clients may choose to begin full FIA development within 10 working days of their eligibility determination by the IM worker.
 - B. Clients may choose not to develop a full FIA and may enter, instead, into a Limited FIA. These clients would be eligible for up to 3 months of benefits from the date of eligibility determination, followed by a three-month benefit period reflecting the needs of the children only. At the end of this period of reduced benefits, the total grant would be terminated. During the Limited FIA, an inquiry would be made as to the well-being of the children.

The client would not be eligible to reapply for services until six months following the termination of a Limited FIA.

Clients who choose the Limited FIA option will have 45 days following their initial eligibility determination to reconsider and begin development of a full FIA.

- Step 4: The FIA worker will meet individually with the client within 30 days of referral to the FIA system, to begin the development of the FIA. This meeting will, at a minimum, assess the following:
- A. Family profile and goals (including FaDSS criteria)
 - B. Work background
 - C. Educational background
 - D. Housing needs (e.g., locale, adequacy, potential impact on rent assistance)
 - E. Child care needs

- F. Transportation needs
- G. Health care needs (physical/mental)
- H. Financial evaluation (current financial status; projected needs for self-sufficiency)
- I. Other barriers which may require referral to other services for assistance and resolution (e.g., substance addiction, sexual or domestic abuse history, overwhelming family stress, long-term dependency on welfare)

If, after assessment, a short-term FIA is the client's choice, the FIA worker and the client have the authority to immediately negotiate that type of agreement.

Currently, under PROMISE JOBS, situations occur which allow clients not to participate due to "good cause" (e.g., lack of transportation). These good cause barriers should not exclude the client from development of an FIA. They should, instead, be addressed in the FIA as an opportunity to solve the problem.

Step 5: FIAs shall detail the expectations of both the state and the family in accomplishing the FIA. The FIA worker and the client will outline the chosen activities and appropriate referrals in the FIA. Activities and services may be pursued sequentially or concurrently, depending on family circumstances. Vocational assessment and employability planning will be part of the FIA process.

Clients will have access to a full range of work and training activities including job search, expanded assessment, classroom training, work experience, and basic education activities such as high school completion, GED, and English as a second language. In addition, employment, unpaid community service, and parenting-skills training can be part of the FIA.

Step 6: Some families will have significant barriers which prohibit them from successful participation in work and training activities under the FIA. Because the FIA is a holistic process, looking at all of the needs of the family, these clients will be referred to FaDSS or other family development services to the extent that funding is available. A referral could be made to appropriate family development services at any time that "significant barriers" surface or are identified. The FIA could show this referral as a service to be provided before other activities are pursued or it could show that family development services will support participation in other activities. For families referred to family development services, such as FaDSS, the family development specialist will be responsible for providing the family development services and determining when other activities, such as work and training activities, should begin.

For families receiving child welfare services, there will be close coordination between the FIA worker and the child welfare social worker.

Step 7: Every FIA will have expectations, responsibilities, and consequences regarding the time frame during which the client becomes self-sufficient and the FIA ends. That time frame may conclude in any of the following ways:

- A. The client achieves self-sufficiency, the FIA concludes successfully, and need for public assistance ends.
- B. The client demonstrates effort and satisfactory progress but is unable to achieve self-sufficiency within the FIA time frame. In this situation, extensions of the FIA will be granted. Reasons for extensions may include but are not necessarily limited to: becoming employed but not yet self-sufficient; actively job seeking; receiving post-secondary classroom training; or participating in parenting classes or other developmental activities. Extensions would also be available for families who have significant barriers to self-sufficiency and for whom FaDSS services are not available.
- C. The client makes no effort to participate in the self-sufficiency process. This third option will result in termination from the FIA. Since the FIA worker and the client are able to reevaluate ongoing efforts and progress, benchmarks in progress should be understood, achievable, and measurable by both the client and the FIA worker. This process renders sanctions obsolete. Such sanctions neither provide clients with an appropriate range of choices nor produce the desired result of full participation. However, there may be clients who choose not to participate or who make no effort toward self-sufficiency. In those cases, the FIA will be modified to reflect termination at the point at which all avenues to negotiate participation have been exhausted. At the termination of the FIA, the client will retain full benefits for three months, followed by a three-month benefit period reflecting the needs of the children only. At the end of the period of reduced benefits, all financial assistance received through the Family Investment Program will end. During this reduction period, an inquiry will be made as to the well-being of the children.

The person would not be eligible to reapply for services until six months following termination of all benefits.

Throughout the entire FIA process, the client will be afforded due process to ensure fairness in the implementation of their Family Investment Agreement.

ISSUE GROUPS

MAKING WORK PAY

Making Work Pay - Bill Prosser, temporary Issue Group leader

- o Economic Incentives and Economic Support: EITC, Other Credits and Transfers

IMPROVE CHILD SUPPORT ENFORCEMENT

Child Support Enforcement and Insurance/Assurance - Paul Legler, Issue Group leader

- o Paternity Establishment
- o Collecting Child Support: Central Registries, Information Reporting, Updating, Other Methods
- o State versus Federal Role, State Incentive Payments
- o Child Support Insurance/Assurance

Absent Parents - Mark Fucello, temporary Issue Group leader

- o Incentives, Supports and Responsibilities for Absent Parents

EDUCATION, TRAINING, AND SUPPORT SERVICES

Providing Education, Training and Support - Mary Ann Higgins, temporary Issue Group leader

- o Education and Training Strategies, JOBS, JTPA, Links to Education, etc.

TIME-LIMITED, TRANSITIONAL SUPPORT

Transitional Assistance - Ann Burek, temporary Issue Group leader

- o Characteristics, Dynamics, Needs, Health Status and Abilities of Welfare Recipients, Single Parents, Two-Parent Families, Absent Parents, and other groups
- o Employability Screening Mechanisms; Administration and Design Issues for Time-Limits
- o Transitional Economic Support
- o Service Delivery, Client Focus, and Quality Management

Post-Transitional Welfare and Work - Cantia Pian, temporary Issue Group leader

- o Work Strategies After Transitional Welfare (links closely with Make Work Pay groups)
- o Child Care and Other Support Services (same groups as above)

AFDC Simplification - Diann Dawson, temporary Issue Group leader

CROSS-CUTTING

Child Care and Other Supports - Mark Ragan, temporary Issue Group leader

- o Child Care
- o Medical Care, Transportation, Social Supports

Disability - Issue Group leader to be assigned

- o Ongoing Support for Those Temporarily or Partially Unable to Work

Cost Estimates/Analysis - Wendell Primus, temporary Issue Group leader

- o Cost Estimation
- o Financing

Please contact Ann McCormick at 690-5880 or Jeremy Ben-Ami at 401-6954 to identify staff who will participate on these issue groups, as well as an agency contact person and a communications point person.

Table I

Welfare Without Work (President's Budget) Family of Three

Poverty Guideline for Family of Three = \$11,890

	Alabama	Pennsylvania	California
AFDC	\$1,968	\$4,836	\$7,488
Food Stamps	3,395	2,534	1,739
Total	5,363	7,370	9,227

- Benefits vary widely across States.
- AFDC and Food Stamp benefits total well below poverty in all States.

Table ■ Full-time Minimum Wage Work - No Welfare

Poverty Guideline for Family of Three = \$11,890

	Current Law	President's Budget
Working with No Child Care Expenses		
Earnings	\$8,500	\$8,500
Taxes	(650)	(650)
EITC	1,998	3,282
Work expenses	(1,080)	(1,080)
Total	8,768	10,052
Working with Child Care Expenses		
Child care	(2,089)	(2,089)
Total	6,679	7,963

	Alabama	Pennsylvania	California
Not Working			
AFDC and Food Stamps	\$5,363	\$7,370	\$9,227

- Under current law, someone going to work who wants to avoid means-tested benefits, is often far worse off than under welfare, especially if they have child care costs.
- The President's budget significantly improves the situation, but if a family has child care and does not collect government benefits, they are still worse off than on welfare in high benefit States.

Table III a

Full-time Work With Welfare (President's Budget)

Poverty Guideline for Family of Three = \$11,890

	Alabama	Pennsylvania	California
Working with No Child Care Expenses			
Earnings	\$8,500	\$8,500	\$8,500
Taxes	(845)	(650)	(650)
Work Expenses	(1,080)	(1,080)	(1,080)
EITC	3,282	3,282	3,282
AFDC	0	0	1,016
Food Stamps	1,945	1,945	1,640
Total	11,802	11,997	12,709
Working with Child Care Expenses			
Child Care	(2,089)	(2,089)	(2,089)
Total	\$10,340	\$10,535	\$12,709
Not Working			
AFDC and Food Stamps	\$5,363	\$7,370	\$9,227

- Under new budget, if someone collects all possible government benefits, she is at least somewhat better off working full-time. But often the effective wage rate is only about \$1.50 per hour.
- To get ahead financially, full-time workers must collect benefits from up to 4 different support systems. In reality, only 45% of working poor families even collect Food Stamps.
- In high benefit States, even a full-time worker could still qualify for AFDC.
- Most of the gain to working is traceable to the EITC which currently almost always arrives at the end of the year.

Table III b

Half-time Work With Welfare (President's Budget)

Poverty Guideline for Family of Three = \$11,890

	Alabama	Pennsylvania	California
Working with No Child Care Expenses			
Earnings	\$4,250	\$4,250	\$4,250
Taxes	(367)	(325)	(325)
Work Expenses	(540)	(540)	(540)
EITC	1,686	1,686	1,686
AFDC	0	1,666	5,266
Food Stamps	2,965	2,465	1,385
Total	7,994	9,202	11,722
Working with Child Care Expenses			
Child Care	(1,044)	(1,044)	(1,044)
Total	\$7,262	\$9,202	\$11,722
Not Working			
AFDC and Food Stamps	\$5,363	\$7,370	\$9,227

- Even half-time work pays somewhat, but only if the person collects EITC, AFDC, and Food Stamps, and has low child care costs.
- Half-time work leaves people well below poverty in States paying median AFDC benefits (such as Pennsylvania)
- The effective rate of pay is less than \$2 per hour.
- Nearly the entire gain comes from EITC which is paid at the end of the year.

Table IV

Work Experience of Mothers 16 Years and Over With Children Under 18 by Marital Status: 1991

	Married Spouse Present	Unmarried No Spouse Present
Employed		
Full-Time/Full-Year	35.3%	37.3%
Full-Time/Part-Year	13.1%	15.8%
Part-Time	24.8%	15.7%
Not Employed	26.8%	31.2%
Total	100.0%	100.0%

Note: Full-Year is 50-52 weeks

SOURCE: Bureau of Labor Statistics,

"Marital and Family Characteristics of the Labor Force from the March 1992 Current Population Survey," Table 28

- Only 35% of married mothers work full-time, full-year.
- Part time work is far less common among single parents, probably because part-time work rarely pays better than welfare.

Table V

Strategies to Make Work Pay Without AFDC but Including Food Stamps

Poverty Guideline for Family of Three = \$11,890

	Half-Time	Full-Time
Earnings at minimum wage	\$4,250	\$8,500
Earnings less expenses	3,710	7,420
President's budget including EITC and Food Stamps (PB)	7,304	10,535
PB + Minimum wage = \$4.75 (MW)	7,845	11,219
PB + Child care subsidized (CC)	8,036	11,997
PB + \$3,000 in child support	9,584	12,815
PB + CC + CS	10,316	14,277
PB + CC + CS + MW	10,856	14,961

- All three additional policies individually can help make work pay.
- Individually, only child support is significant in making part-time work feasible.
- A combination of all three really makes work pay.

- o Working Group Membership and Participation
 - WC members must be full-time Federal employees
 - staff participation on issue groups
- o Making Work Pay - Presentation and Discussion
- o Topics for Future Discussions
 - feedback on focus/substance of presentation
- o Schedule
 - announcement
 - timing for WG product
 - communications strategy kick-off
- o Next Steps

Table I

Welfare Without Work (President's Budget) Family of Three

Poverty Guideline for Family of Three = \$11,890

	Alabama	Pennsylvania	California
AFDC	\$1,968	\$4,836	\$7,488
Food Stamps	3,395	2,534	1,739
Total	5,363	7,370	9,227

- Benefits vary widely across States.
- AFDC and Food Stamp benefits total well below poverty in all States.

Table ■

Full-time Minimum Wage Work - No Welfare

Poverty Guideline for Family of Three = \$11,890

	Current Law	President's Budget
Working with No Child Care Expenses		
Earnings	\$8,500	\$8,500
Taxes	(650)	(650)
EITC	1,998	3,282
Work expenses	(1,080)	(1,080)
Total	8,768	10,052
Working with Child Care Expenses		
Child care	(2,089)	(2,089)
Total	6,679	7,963

	Alabama	Pennsylvania	California
Not Working			
AFDC and Food Stamps	\$5,363	\$7,370	\$9,227

- Under current law, someone going to work who wants to avoid means-tested benefits, is often far worse off than under welfare, especially if they have child care costs.
- The President's budget significantly improves the situation, but if a family has child care and does not collect government benefits, they are still worse off than on welfare in high benefit States.

financially burden shifted from FED/STATE to all FED.

Table III a

Full-time Work With Welfare (President's Budget)

Poverty Guideline for Family of Three = \$11,890

	Alabama	Pennsylvania	California
Working with No Child Care Expenses			
Earnings	\$8,500	\$8,500	\$8,500
Taxes	(845)	(650)	(650)
Work Expenses	(1,080)	(1,080)	(1,080)
EITC	3,282	3,282	3,282
AFDC	0	0	1,016
Food Stamps	1,945	1,945	1,640
Total	11,802	11,997	12,709
Working with Child Care Expenses			
Child Care	(2,089)	(2,089)	(2,089)
Total	\$10,340	\$10,535	\$12,709
Not Working			
AFDC and Food Stamps	\$5,363	\$7,370	\$9,227

- Under new budget, if someone collects all possible government benefits, she is at least somewhat better off working full-time. But often the effective wage rate is only about \$1.50 per hour.
- To get ahead financially, full-time workers must collect benefits from up to 4 different support systems. In reality, only 45% of working poor families even collect Food Stamps.
- In high benefit States, even a full-time worker could still qualify for AFDC.
- Most of the gain to working is traceable to the EITC which currently almost always arrives at the end of the year.

Table III b

Half-time Work With Welfare (President's Budget)

Poverty Guideline for Family of Three = \$11,890

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Subgroup: Domestic Policy Council

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Folder Title Working Group [6]

OA/ID: 3511

Date: 5/17/93

Time: 2:25

THE WHITE HOUSE

FAX COVER SHEET

TO: Jessica Goldfarb

Phone: () 219-6151

FAX: () 219-7971

FROM: Kathi Way

Phone: (202) 456-7777

Pages following cover sheet = 15

MEMORANDUM FOR MEMBERS OF THE WORKING GROUP ON WELFARE REFORM,
FAMILY SUPPORT AND INDEPENDENCE

FROM: BRUCE REED
DAVID T. ELLWOOD
MARY JO BANE
WORKING GROUP CO-CHAIRS

SUBJECT: May 17, 1993, Meeting of the Working Group

The Working Group on Welfare Reform, Family Support and Independence will meet on Monday, May 17, 1993, at 5:00 p.m. in Room 324 of the Old Executive Office Building. The agenda for the meeting is attached.

We look forward to your continuing interest and participation as we carry out the President's welfare reform agenda.

Attachment

Working Group on Welfare Reform, Family Support and Independence

May 17, 1993

- o Working Group Membership and Participation
- o Making Work Pay - Presentation and Discussion
- o Topics for Future Discussions
- o Schedule
- o Next Steps

WELFARE REFORM STEERING COMMITTEE

Agenda: 5/11/93

- I. 9:30 Make Work Pay Presentation
- II. 9:50 Review One Page Charges/Next Steps
- Make Work Pay
 - Other Supports
 - AFDC Simplification
 - Education and Training
- III. 10:10 Follow up from previous meetings *need clarification*
- 10:15 - Process for site visits *for other agencies*
- 10:15 - Hearings *regarding their*
- role in welfare*
- IV. 10:30 Issue Group Status -- see attached *reform.*
- o FACA status of outsiders
 - o Schedule Changes
 - o Communications Meetings: 9:30 Fridays
 - o Modelling liaisons still needed: Child care/OS
 - o List of members still needed:
 - Make Work Pay
 - Post Transitional Work
 - Modelling
 - o Outside agency reps: lists distributed:
Treasury, Labor, DOJ, and NEC
- V. 10:45 Topics for Working Paper Series
- VI. 10:55 Other
- Thursday*
- PM*
- 503*
- 1:30-5:30*
- Modelling*

STATUS REPORT (5/11/93)
Welfare Reform Issue Groups

GROUP	Temp Leader	Deadlines/ Schedules
I. Making Work Pay	Prosser	o Issue Paper draft: 5/10 o Meeting #2: 5/13 9:30-11:00
II. Child Care and Other Supports	Ragan	o Reviews: CC - 5/11 (2:00); OS - done o One pager: OS - done o Deadline: OS - 5/11 o Meeting #2: CC&OS - 6/3 9:30
III. Child Support Enforcement and Insurance	Legler	o Meeting #2: 5/27 9:30 - 11:00
IV. Absent Parents	Fucello	o Initial Review: 5/12 2:00-3:30 o Meeting #2: 5/27 3:00-4:30
V. Transitional Assistance	Burek	o Deadline (Draft #2): distributed o Meeting #2: 5/24 9:30-11:00
VI. Education/ Training	Higgins	o Deadline: 5/14 o Meeting #2: 5/17 11:00-12:30
VII. Post- Transitional Plan Work		o Review: 5/13 11:00 o One pager: 5/14 o Deadline: 5/28 o Meeting #2: 6/1 11:00 (tent.)
VIII. Disability		o Group in formation o Initial meeting: 5/18 9:30 (tent.)
IX. Modelling		o Meeting: 5/13 1:30-5:30
X. AFDC Simplif- ication	Dawson	o One pager: done o Deadline: 5/24 o Meeting #2: 5/28 2:00 - 3:30

May 17, 1993

Welfare Reform Meetings - by type

Other Departments

Treasury - Economic Policy and Tax Policy - completed
Labor - Deputy Secretary - completed
Education - Rodney McCowan - completed
follow-up meeting to be scheduled
HUD - Michael Stegman - to be scheduled
Agriculture - Ellen Haas - Friday, May 21 - 1:30-2:30
Treasury - IRS - to be scheduled

Work Group Feedback Sessions

Making Work Pay - completed
Child Care - completed
Other Support Services - completed
Child Support - deferred to Issue Group follow-up
Absent Parents - completed
Transitional Assistance - completed
Education and Training - completed
Post-Transitional Work - Monday, May 24 - 3:30-5:00
Modeling - to be scheduled
AFDC Simplification - completed

Issue Group Brainstorming/Kick-off

Disability - Wednesday, May 19 - 4:00-5:00

Issue Group Follow-up Sessions

Make Work Pay - completed (with Other Support Services)
Support Services - Thursday, June 3 - 9:30-11
Child Support - Thursday, May 27 - 9:30-11
Absent Parents - Thursday, May 27 - 3-4:30
Transitional Assistance (with Education and Training issue group) - Monday, May 17 - 11-12:30
Education and Training (with Transitional Assistance issue group) - Monday, May 24 - 11-12:30
Post-Transitional Work - to be scheduled
Modeling - to be scheduled
AFDC Simplification - Friday, May 28 - 2-3:30

May 17, 1993

Welfare Reform Meetings - by date

Monday, May 17

- 9:30-11 - Steering Committee - room 415F
- 11-12:30 - follow-up with Transitional Assistance with Education and Training issue group - room 415F
- 5:00 - Working Group meeting

Wednesday, May 19

- 4-5 - kick-off for Disability issue group - room 415F

Friday, May 21

- 1:30-2:30 - meeting with Agriculture - USDA Administration Building - room 240-E

Monday, May 24

- 11-12:30 - follow-up with Education and Training with Transitional Assistance issue group - Aerospace Building
- 3:30-5 - feedback to Post-Transitional Work work group - room 415F

Tuesday, May 25

- 9:30-11 - Steering Committee - room 415F

Thursday, May 27

- 9:30-11 - follow-up with Child Support issue group - Aerospace Building
- 3-4:30 - follow-up with Absent Parents issue group - Aerospace Building

Friday, May 28

- 2-3:30 - follow-up with AFDC Simplification issue group - room 415F

Tuesday, June 1

- 9:30-11 - Steering Committee - room 415F
- 11-12:30 - topic to be assigned - room 415F

Thursday, June 3

- 9:30-11 - follow-up with Support Services issue group - Aerospace Building

May 14, 1993

NOTE TO: Kathy Mays
FROM: Ann McCormick, MMS
SUBJECT: Working Group

Attached are the memo and agenda.

David needs an easel to set charts on for the Make Work Pay presentation at the meeting. Can you get one?

Also attached is a set of the charts for the presentation that will be handed out at the meeting. We'll bring copies with us.

I'm also attaching the latest version I have of the Working Group members. Jeremy told me that Elaine Kamarck is replacing Charlotte Hayes from the Office of the Vice President. Are there any other changes I should make? Is there anyone on my list that you don't have that I should call about the meeting?

Finally, I don't know whether you know, but David and Mary Jo have been meeting with some of the Working Group members and their staff to discuss the overall welfare reform agenda and the participation of their departments. They would like Bruce and/or Kathi to participate if they can. Two meetings are scheduled for the week of the 17th. On Thursday (5/20) there's a meeting with IRS in Bob Carver's office at 2:30 -- that time may change. And on Friday, (5/21) they are meeting with Ellen Haas in Agriculture at 1:30. We have yet to schedule meetings with HUD and Education.

Thanks for all your help. Call me if there's anything I can do (690-5880). My fax is 690-6518.