E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

06-Sep-1996 01:34pm

TO: Elizabeth E. Drye

FROM: Carol H. Rasco
Domestic Policy Council

CC: Jill Pizzuto

SUBJECT: Welfare Reform

I have been giving thought to the speech on Monday...
Seems to me there are four key things that must be included:
+changes the President has announced he will seek
+Implementation issues
 Directives to Secretaries to date
 AG piece on programs legal immigrants CAN participate in(the
  soup kitchen issue, etc...I assume that came out?)
 Coordinating bodies we have going
+Jobs: both POTUS announced initiative and other ideas
+Overall WH/Admin. vision-direction on this issue

I'll keep thinking....if I give the speech I know I will focus on need to keep in mind the clients and the front line workers.

Finally, I brought with me the paper on the JOBS initiative but not much else. I would very much like to have Fed Ex'd here to my sister's home (with no signature for receipt necessary as I can't assure when we would/would not be here tomorrow) for Saturday delivery (before 3 p.m.):

JBA copy

HHS summary of bill (Jeremy gave me one before Chicago...I'm not sure where it is at office now or if I got back from Chicago with it)

The HHS guidance if we have ever gotten the draft

Any other Q/A folks think is good solid background

POTUS statements when he announced he would sign bill, his signing speech and signing statement (I understand these are two different things?)

[illegible] The recent McCurry statement with attached directives on Food stamps and naturalization (I think this is still on top of my desk, not sure.)

Finally, if there are draft talking points, a draft speech, whatever ready to go in that packet you can or they can be faxed to my brother in law at his business today (someone would need to call to make sure he is there, how long he is staying, etc.) and otherwise can be faxed to KINKO at 501-954-1333 with my name on it. The person faxing it from DC should then beep me to tell me it is at KINKO or leave a message on my sister's home phone. If any problems in transmitting to KINKO their phone number is 501-954-1300.

Thanks!

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release **August 23, 1996**

STATEMENT BY THE PRESS SECRETARY

As the President has said, the welfare reform bill he signed into law yesterday offers a historic opportunity to end welfare as we know it and replace it with a system that offers hope, demands responsibility, and rewards work.

However, as the President has also said, the welfare reform bill contains provisions that will cause unfair and unwarranted harm to many families. That is especially true of legal immigrant families, who have followed the rules, worked, and paid taxes, and who have suffered a calamity that has forced them to seek assistance.

The President has vowed to repair these provisions of the bill. In the meantime, however, he is determined to ensure that they are implemented carefully, and that no individuals not actually covered by these provisions are improperly denied the benefits they and their children need.

For that reason, the President has today issued two directives to ensure that legal immigrants and their children who remain eligible for benefits under the new law do not have those benefits cut off mistakenly, and that legal immigrants who are eligible to become citizens can do so as quickly as possible.

The first measure directs the Secretary of Agriculture to ensure that States have the maximum time allowed under the law to make sure that legal immigrants who remain eligible for food stamp benefits continue to receive them. The Secretary is to grant a waiver allowing any state, subject to certain legal restrictions, to extend the certification periods for eligibility for food stamps that apply to legal immigrants receiving assistance. The extension will give States time to develop the procedures needed to make accurate determinations of the many facts -- such as immigration classification, veteran status, or work history -- that the new law makes relevant to eligibility. In this way, the directive will decrease inaccurate or inequitable decisions to cut off food stamp benefits.

Under the terms of the new law, benefits to legal immigrants and their children are cut off only at the time of recertification of their eligibility for food stamps. When a State extends the certification period, it will, in effect, push back the date on which a legal immigrant will be deprived of food stamp benefits.

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The waiver has specific time limits. Under current law, the Secretary may not allow states to extend certification periods beyond one year for most aliens or two years for certain elderly or disabled aliens. For states that already use that maximum certification period, the waiver will not have a significant impact. For those that have shorter periods, however, the waiver will permit extensions to a full year or 24 months. The Department, however, may not allow states to extend any recertification beyond August 22, 1997.

The second measure directs the Attorney General, the Secretary of Health and Human Services, and other agency heads to make continued efforts to reduce bureaucratic delays in the citizenship process for legal immigrants applying to become citizens. The INS already has made great progress in this area, devoting more resources to processing naturalization applications and reducing long waiting lists. This directive instructs the Attorney General to continue to increase staff used to review citizenship applications and to develop other effective means, including joint efforts with community groups, of assisting applicants for citizenship.

In addition, the directive instructs the heads of all relevant agencies to develop public/private partnerships devoted to providing English-language training to applicants for citizenship; make outreach efforts to those wishing to become citizens; and provide special assistance to refugees and those seeking asylum.

Also today, the Attorney General, under authority granted by the welfare reform law; will issue a memorandum containing a provisional list of non-cash services not conditioned on income or resources that may not be denied to immigrants, because they are "necessary for the protection of life and safety." These services include soup kitchens, medical services, child protection, and services for victims of domestic violence. The Attorney General may amend the list at a later date. Additional information is available at the Justice Department from Myron Marlin, (202) 616-2765.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 23, 1996

August 22, 1996

MEMORANDUM FOR THE SECRETARY OF AGRICULTURE

SUBJECT: Eligibility of Aliens for Food Stamps

Under the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which today I signed into law, aliens receiving food stamps as of the date of enactment will continue to receive benefits until recertification of their eligibility, which shall take place not more than 1 year after enactment of the law. The results of the certification, including decisions as to an individual's immigration classification, veteran status, or work history, will determine whether the individual remains eligible for benefits under the Food Stamp program. Implementation of these new procedures will pose a substantial challenge for all involved Federal and State agencies.

To ensure that eligibility determinations are made fairly, accurately, and effectively, I direct you to take the steps necessary under your authority to permit the State agencies to extend the certification periods of currently participating aliens, provided that no certification period is extended to longer than 12 months, or up to 24 months if all adult household members are elderly or disabled, and provided that in no event shall certifications be extended beyond August 22, 1997.

I further direct you to notify the States of the actions you have taken.

WILLIAM J. CLINTON

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 23, 1996

August 22, 1996

MEMORANDUM FOR THE ATTORNEY GENERAL
THE SECRETARY OF HEALTH AND HUMAN SERVICES
AND OTHER HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Naturalization

Citizenship is the cornerstone of full participation in our democracy. To become a United States citizen through naturalization represents a pledge to undertake the responsibilities of being a full member of our national community.

Naturalization is the best example of our legal immigration system at work. It reflects our society's recognition of those who came to this country to work hard, play by the rules, and pursue shared ideals of freedom, opportunity, and responsibility.

In the past, hundreds of thousands of eligible people have had to wait unnecessarily to become citizens. In some parts of the country, these people have had to wait well over a year after filing their application to realize their dream of United States citizenship.

This Administration is committed to eliminating the waiting lists of those eligible for citizenship. To accomplish this, we launched "Citizenship U.S.A.," the most ambitious citizenship effort in history. In fiscal year 1996, the Immigration and Naturalization Service (INS) will spend more than $165 million for naturalization.

Citizenship U.S.A. combines three broad strategies: hiring more people to handle applications, improving the naturalization process, and expanding partnerships with local officials and community organizations.

We are already making progress. We have increased the staff 235 percent in the five districts with 75 percent of the pending applications: Los Angeles, New York, Miami, San Francisco, and Chicago. In Los Angeles, where one-fourth of all new applications are filed, we have opened three new processing centers and have more than quadrupled the number of INS officers handling citizenship applications.

But this is just the beginning. This Administration's target is to process and swear-in within 6 months of application all individuals eligible for citizenship. As we meet this target, more than one million newcomers will become citizens by the end of this year. After that, INS shall maintain those reforms necessary to stay current with the demand of new citizen applicants.

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Using all of the tools at your disposal, I ask you to ensure that policies and practices necessary to accomplish these targets of one million new citizens sworn-in and the elimination of the waiting list are implemented. This includes continuing, expanding or accelerating, as appropriate and practicable, the following:

1) New Hires. Hiring, training, and deployment of full staff to assist naturalization efforts should proceed to completion as quickly as possible.

2) Cutting Red Tape. This includes: establishing electronic filing and mailing-in of citizenship applications, extended weekday hours and Saturday interviews, further expansion of processing facilities, and improvements to make it easier for people to obtain forms and get immigration information by telephone or computer.

3) Working with Local Officials and Community-Based Groups. We are working in partnership with local officials and community groups to expand outreach. I direct you to expand these efforts to help get naturalization information to people, assist them in filling out applications, offer more local sites for interviews, especially for the elderly and the homebound, and seek other means to jointly facilitate the process. We also will work to expand the availability of local hotlines providing naturalization information.

4) English Training. To assist legal immigrants to move toward citizenship, I request relevant agencies to work with the Domestic Policy Council, the National Economic Council, and other White House offices to present to me by December 30, 1996, a report making recommendations with respect to public/private efforts to teach English to those needing to improve their English-language skills. This report should consider possible roles by private companies, educational institutions, unions, community organizations, and the AmeriCorp program to accomplish this goal.

5) Interagency Outreach. I direct each executive department and agency to take steps to promote naturalization outreach consistent with your agency's mission. In particular, in materials sent to welfare recipients concerning eligibility, I direct that, to the extent authorized by law, you include naturalization information.

6) Refugees and Asylees. Those who flee persecution and suffering in their home country are often in the weakest position to acquire the skills they need to enter the job market, maintain self-sufficiency, and achieve U.S. citizenship. I direct the Secretary of Health and Human Services, in conjunction with other agencies as appropriate, to present to me by December 30, 1996, through the Domestic Policy Council, a report setting out a strategy of additional steps that we can take to promote social adjustment in the United States, economic self-sufficiency, and naturalization.

In taking these steps, this Administration shall maintain and strengthen the standards and requirements of the naturalization test that demonstrate an individual's readiness to accept the responsibilities of citizenship and full participation in our national community. You are directed to continue vigilant oversight to uphold these standards.

Hundreds of thousands of people are seeking the dream and the promise of American citizenship. They have worked to become United States citizens, and these steps should ensure that they are not made to wait unnecessarily.

WILLIAM J. CLINTON

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RETURN TO

Summary of Provisions
Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (H.R. 3734)

Prepared by the Office of the Assistant Secretary for Planning & Evaluation, D.H.H.S.

Title I: Block Grants for Temporary Assistance for Needy Families

- **Block Granting AFDC and JOBS:** The bill block grants AFDC, Emergency Assistance (EA), and JOBS into a single capped entitlement to states. There is a separate allocation specifically for child care.

- **Individual Entitlement:** No individual guarantee, but the state plan must have "objective criteria for delivery of benefits and determining eligibility" and provide an "explanation of how the state will provide opportunities for recipients who have been adversely affected to be heard in an appeal process." There are no provisions to give the Secretary authority to enforce this requirement.

- **Time Limits:** Families who have been on the rolls for 5 cumulative years (or less at state option) would be ineligible for cash aid. States would be permitted to exempt up to 20% of the caseload from the time limit. Exemptions from the time limit would be allowed for individuals living on Indian reservations with a population of at least 1,000 and an unemployment rate of at least 50 percent. States would not be permitted to use federal block grant funds to provide noncash benefits (e.g., vouchers) to children that reach the five-year time limit. Title XX monies could be used to provide non-cash assistance to families after the federal time limit. State funds that are used to count toward the maintenance of effort requirements may be used to provide assistance to families beyond the federal time limit.

- **Block Grant Funding:** The total cash assistance block grant is estimated to be $16.4 billion for each year from FY 1996 to FY 2003. Each state would be allotted a fixed amount – based on expenditures for AFDC benefits and administration, Emergency Assistance, and JOBS – equal to the greater of: (1) the average of federal payments for these programs in FYs 1992-94; (2) federal payments in FY 1994; or (3) federal payments in FY 1995. States could carry over unused grant funds to subsequent fiscal years.

- **Work Requirements:** As part of their state plan, states must demonstrate that they will require families to work after two years on assistance. However, there are no penalties if a state does not meet this requirement. A state's required work participation rate for all families would be set at 25% in FY 1996, rising to 50% by FY 2002 (states would be penalized for not meeting these rates). The bill provides pro rata reduction in the participation rate for reductions in caseload levels below FY 1995 that are not due to eligibility changes. The rate for two-parent families increases to 90% by FY 1999.

Single-parent recipients would be required to participate at least 30 hours per week by FY 2000. Single parents with a child under age 6 would be deemed to be meeting the work requirements if they work 20 hours per week. Two-parent families must work 35 hours per week. Single parents of children under age 6 who cannot find child care cannot be penalized for failure to meet work requirements. States could exempt from the work requirement single parents with children under age one and disregard these individuals in the calculation of participation rates for up to 12 months. For two-parent families, the second spouse is required to participate 20 hours per week in work activities if they receive federally funded child care (and are not disabled or caring for a disabled child). Individuals who receive assistance for 2 months and are not working or exempt for the work requirements would be required to participate in community service, with the hours and tasks to be determined by the state (states could opt-out of this provision).

- **Waivers:** A state which had waivers granted under Section 1115 (or otherwise relating to the AFDC program) before July 1, 1997 would have the option of continuing to operate its cash assistance program under some or all of these waivers. If a state elected this option with respect to some or all of its waivers, the provisions of the welfare reform legislation which were inconsistent with the continued waivers would not take effect until the expiration of such waivers except that the new child care provisions would apply immediately *(bill language is unclear; this section may be subject to different interpretations)*. States which have waivers approved after the date of enactment must also meet the work requirements, even if inconsistent. States operating their programs under waivers would still receive their block grant amounts.

- **Work Activities:** To count toward the work requirement, individuals would be required to participate at least 20 hours per week in unsubsidized or subsidized employment, on-the-job training, work experience, community service, 12 months of vocational training, or providing child care services to individuals who are participating in community service. Up to 6 weeks of job search (no more than 4 consecutive weeks) would count toward the requirement, except that states with unemployment rates at least 50 percent above the national average may count up to 12 weeks of job search. Teens (up to age 19) in secondary school would also count toward work requirement. However, no more than 20 percent of the caseload could count toward the work requirement because they were participating in vocational training or were a teen parent in secondary school. Individuals who had been sanctioned (for not more than 3 of 12 months) would not be included in the denominator of the rate.

- **Supplemental Funds:** The bill establishes a $2 billion contingency fund. State spending (by eligible states) on cash assistance and work programs above the FY 1994 levels (not including child care) would be matched at the Medicaid rate to draw down contingency fund dollars. States could meet one of two triggers to access the contingency fund: 1) an unemployment rate for a 3-month period that was at least 6.5% and 110% of the rate for the corresponding period in either of the two preceding calendar years.; or 2) a trigger based on food stamps. Under the second trigger, a state would be eligible for the contingency fund if its food stamp caseload increased by 10% over the FY 1994-1995 level (adjusted for the impact of the bill's immigrant and food stamp provisions on the food stamp caseload). Payments from the fund for any fiscal year would be limited to 20% of the state's base grant for that year. A state could draw down more than 1/12 of its maximum annual contingency fund amount in a given month. A state's federal match rate (for drawing down contingency funds) would be reduced if it received funds for fewer than 12 months in any year. The bill also includes: 1) an $800 million grant fund for states with exceptionally high population growth, benefits lower than 35% of the national average, or above average growth and below average AFDC benefits (no state match) and; 2) a $1.7 billion loan fund.

- **Maintenance of Effort:** Each state would be required to maintain 80% of FY 1994 state spending on AFDC and related programs. For states who meet the work participation requirements, the maintenance of effort provision would be reduced to 75%.

- **Transfers:** A state would be permitted to transfer up to 30% of the cash assistance block grant to the child care block grant and/or the Title XX block grant. No more than one-third of transferred amounts could be to Title XX, and all funds transferred must be spent on children and their families whose income is less than 200 percent of the poverty line.

- **Penalties:** The penalties that could be imposed on states would include the following: (1) for failure to meet the work participation rate, a penalty of 5% of the state's block grant in the first year increasing by 2 percentage points per year for each consecutive failure (with a cap of 21%); (2) a 4% reduction for failure to submit required reports; (3) up to a 2% reduction for failure to participate in the Income and Eligibility Verification System; (4) for the misuse of funds, the amount of funds misused (if the Secretary of HHS were able to prove that the misuse was intentional, an additional penalty equal to 5% of the block grant would be imposed); (5) up to a 5% penalty for failure, by the agency administering the cash assistance program, to impose penalties requested by the child support enforcement agency; (6) escalating penalties of 1% to 5% of block grant payments for poor performance with respect to child support enforcement, (7) a 5% penalty for failing to comply with the 5-year limit on assistance; and (8) a 5% penalty for failing to maintain assistance to a parent who cannot obtain child care for a child under age 6. States that are penalized must expend additional state funds to replace federal grant penalty reductions.

- **Personal Responsibility Agreement:** States would be required to make an initial assessment of recipients' skills. At state option, Personal Responsibility Plans could be developed.

- **Teen Parent Provisions:** Unmarried minor parents would be required to live with an adult or in an adult-supervised setting and participate in educational and training activities in order to receive assistance. States would be responsible for locating or assisting in locating adult-supervised setting for teens, but there are no additional funds for "second chance homes."

- **Teen Pregnancy:** The Secretary of HHS to establish and implement a strategy to: (1) prevent non-marital teen; and (2) assure that at least 25% of communities have teen pregnancy prevention programs. The Department will have report to Congress annually in respect to the progress in these areas. No later than January 1, 1997, the Attorney General shall establish and implement a program that provides research, education and training on the prevention and prosecution of statutory rape.

- **Performance Bonus to Reward Work:** The Secretary of HHS, in consultation with NGA and APWA, would be required to develop a formula measuring state performance relative to block grant goals. States would receive a bonus based on their score on the measure(s) in the previous year, but the bonus could not exceed 5% of the family assistance grant. $200 million per year would be available for performance bonuses (in addition to the block grant), for a total of $1 billion between FYs 1999 and 2003.

- **Family Cap:** No provision. States implicitly have complete flexibility to set family cap policy.

- **Illegitimacy Ratio:** The bill establishes a bonus for states who demonstrate that the number of out-of wedlock births that occurred in the state in the most recent two-year period decreased compared to the number of such births in the previous period (without an increase in abortions). The top five states would receive a bonus of up to $20 million each. If less than five states qualify, the grant would be up to $25 million each. Bonuses are authorized in FYs 1999 - 2002.

- **Persons Convicted of Drug-Related Crimes:** Individuals who after the date of enactment are convicted of drug-related felonies will be prohibited for life from receiving benefits under the temporary assistance for needy families and food stamps programs. Pregnant women and individuals participating satisfactorily in drug treatment programs are exempted. States may opt out of this provision.

<u>Title II: Supplemental Security Income</u>

- **Disability Definition for Children:** Provides a new definition of disability for children. Under this new definition, a child will be considered to be disabled if he or she has a medically determinable physical or mental impairment which results in marked and sever functional limitations, which can be expected to result in death or which has lasted or can be expected to last for at least 12 months. In addition, this bill instructs SSA to remove references to maladaptive behavior as a medical criteria in its listing of impairments used for evaluating mental disabilities in children. All of these provisions will apply to new claims filed on or after enactment and to all claims that have not been finally adjudicated (including cases pending in the courts) prior to the enactment of the bill. SSA is also required to redetermine the cases of children currently receiving SSI to determine whether they meet the new definition of disability.

- **Redeterminations:** Redeterminations of current recipients must be completed during the year following the enactment of the bill. The earliest that a child currently receiving SSI could lose benefits would be July 1, 1997. If the redetermination is made after that date, then benefits would end the month following the month in which the redetermination is made. SSA is required to notify all children potentially affected by the change in the definition by January 1, 1997.

  An additional $150 million for FY 1997, and $100 million for FY 1998 is authorized for continuing disability reviews and redeterminations.

- **Benefits:** For privately insured, institutionalized children, cash benefits would be limited to $30 per month. Requires that large retroactive SSI payments due to child recipients be deposited into dedicated savings accounts, to be used only for certain specified needs appropriate to the child's condition.

  Provides that large retroactive benefit amounts would be paid in installments (applies to children and adults).

Title III: Child Support

- **Child Support Enforcement Program:** States must operate a child support enforcement program meeting federal requirements in order to be eligible for the Family Assistance Program. Recipients must assign rights to child support and cooperate with paternity establishment efforts. Distribution rules are changed so that families no longer on assistance have priority in receipt of child support arrears. Current law $50 pass-through is not required.

- **Establishing Paternity:** Streamlines the process for establishing paternity and expands the in-hospital voluntary paternity establishment program.

- **State Requirements:** The bill requires states to establish central registries of child support orders and centralized collection and disbursement units. Requires states to have expedited procedures for child support enforcement.

Establishes a Federal Case Registry and National Directory of New Hires to track obligors across states lines. Requires that employers report all new hires to state agencies and new hire information to be transmitted to the National Directory of New Hires. Expands and streamlines procedures for direct withholding of child support from wages.

Provides for uniform rules, procedures, and forms for interstate cases.

Requires states to have numerous new enforcement techniques, including the revocation of drivers and professional licenses for delinquent obligors.

Provides grants to states for access and visitation programs.

Title IV: Restricting Welfare and Public Benefits for Aliens

- **SSI and Food Stamps:** Most legal immigrants (both current and future, and including current recipients) would be banned until citizenship (exemptions for: refugees/asylees, but only for first 5 years in country; veterans; and people with 40 quarters). Cut-off current recipients immediately based on rolling redeterminations within a year after enactment.

- **Medicaid, AFDC, Title XX Social Services, State-funded Assistance:** States would have the option to ban until citizenship most legal immigrants already in the U.S., including current recipients (with same refugee/asylees, et.al. exemptions as above). Current recipients would be eligible to continue receiving benefits until January 1, 1997.

- **Future Immigrants (entering after enactment):** Must be banned for five years from most federal means-tested programs, including Medicaid (exemptions below).

- **New Verification Requirements:** Imposed on all applicants and on virtually all federal, state, and local programs in order to deny all benefits to non-qualified (or illegal) aliens (except: emergency medical; short-term disaster; limited public health for immunizations and communicable diseases; non-profit, in-kind community services such as shelters and soup kitchens; certain housing programs; and school lunches/breakfasts if the child is eligible for a free public education). States would have the option to provide or deny WIC and other child nutrition and commodity benefits. Definition of qualified alien more narrow than current PRUCOL and Administration's proposal. Not later than 18 months after enactment, the Attorney General in consultation with the Secretary of Health and Human Services shall issue regulations requiring verification. States that administer a program that provides a Federal public benefit have 24 months after such regulations are issued to implement a verification system that complies with the regulations.

- **Deeming:** For sponsors/immigrants signing new, legally binding affidavits of support (which are to be promulgated by the Attorney General 90 days after enactment): extend deeming until citizenship; change deeming to count 100 percent of a sponsor's income and resources; and expand the number of programs that are required to deem, including Medicaid (exemptions below). These rules are effective immediately with regard to programs that currently deem, and effective 180 days after enactment for programs that do not currently deem. However, since the new deeming rules apply only to sponsors/immigrants who have signed the new affidavits of support, and new entrants are generally barred from receiving benefits for their first 5 years in the country, these new deeming rules and effective dates will be relatively irrelevant in practice.

- **Exemptions (from 5-year ban on future immigrants and deeming):**

  People Exempted: Refugees/asylees, veterans, and Cuban/Haitian entrants receiving refugee/entrant assistance.

  Programs Exempted: Emergency medical; short-term disaster; school lunch; WIC/child nutrition; limited public health for immunizations and communicable diseases; payments for foster care; non-profit, in-kind community services such as shelters and soup kitchens; programs of student assistance under Higher Education Act and Public Health Service Act; means-tested elementary and secondary education programs; Head Start; and JTPA.

Title V: Child Protection

- **Provisions:** Block grant provisions have been dropped. Current provisions are: (1) authority for states to make foster care maintenance payments using IV-E funds on behalf of children in for-profit child care institutions; (2) extension of the enhanced federal match for statewide automated child welfare information systems through 1997; (3) appropriation of $6 million per year in each of FYs 1996 - 2002 for a national random sample study of abused and neglected children; and (4) a requirement that states consider giving preference for kinship placements, provided that the relative meets state standards.

Title VI: Child Care

- **Funding:** The bill authorizes $13.9 billion in mandatory funding for FYs 1997-2002. States would receive approximately $1.2 billion of the mandatory funds each year. The remainder would be available for state match (at the Medicaid rate). Requires states to maintain 100% of FY 1994 or FY 1995 child care expenditures (whichever is greater) to draw down the matching mandatory funds. Also authorizes $7 billion in discretionary funding for FYs 1996-2002.

- **Health and Safety Protections:** Retains current law requirement that all states establish health and safety standards for prevention and control of infectious diseases including immunizations, building and physical premises safety, and minimum health and safety training. Health and safety protections apply to all federally funded child care.

- **Quality:** Provides not less than 4 percent of the total consolidated mandatory and discretionary funds. Appropriate activities under this set-aside include consumer education, enhancement of parental choice, and improvement of the quality and availability of child care (such as resource and referral services).

- **Entitlement to Child Care:** The bill provides no child care guarantee, but single parents with children under 6 who cannot find child care would not be penalized for failure to engage in work activities.

Title VII: Child Nutrition Programs

- **Alien Eligibility:** The bill makes individuals who are eligible for free public education benefits under state or local law also eligible for school meal benefits under the National School Lunch Act and the Child Nutrition Act of 1966. States would have the option to provide or deny WIC and other child nutrition benefits.

- **Reimbursement Rates:** Effective for the summer of 1997, reduces maximum reimbursement rates for institutions participating in the Summer Food Service Program to $1.97 for each lunch/supper, $1.13 for each breakfast, and 46 cents for each snack/supplement. Rates are adjusted each January and rounded to the nearest lower cent.

  Restructures reimbursements for family or group day care homes under the Child Care Food Program to better target benefits to homes serving higher proportions of children below poverty and reduces reimbursement rates for tier II homes to 95 cents for lunches/suppers, 27 cents for breakfasts, and 13 cents for supplements.

  Rounds down to the nearest cent when indexed the reimbursement rates for full price meals in the school breakfast and school lunch programs and in child care centers, and rates for the special milk and commodity assistance programs.

- **Other Provisions:** Eliminates School Breakfast start-up and expansion grants. Makes funding for the Nutrition Education and Training (NET) Program discretionary.

Title VIII: Food Stamps and Commodity Distribution

- **Alien Eligibility:** Most legal immigrants (both current and future, and including current recipients) would be banned until citizenship (exemptions for: refugees/asylees, but only for the first five years in the U.S.; veterans; and people with 40 quarters of work). Cuts off current recipients immediately based on case redeterminations within a year. Future immigrants must be banned for five years (same exemptions as noted earlier).

  For sponsors/immigrants signing new legally binding affidavits of support: extends deeming until citizenship; and changes deeming to count 100 percent of sponsor's income and resources.

- **Maximum Benefit Levels:** Reduces maximum benefit levels to the cost of the Thrifty Food Plan and maintains indexing.

- **Income and Deductions:** Retains the cap on the excess shelter deduction and sets it at $247 through 12/31/96; $250 from 1/1/97 through 9/30/98; $275 for FYs 1999 and 2000; and $300 from FY 2001 on. Freezes the standard deduction at the FY 1995 level of $134 for the 48 states and DC, and makes similar reductions for other areas. Includes as income for the Food Stamp Program energy assistance provided by state and local government entities. Lowers the age for excluding from income the earnings of elementary and secondary students from under age 22 to those who are 17 and under. Requires individuals 21 and under living with a parent to be part of the parent's household.

- **Work Requirements and Penalties:** Establishes a new work requirement under which non-exempt 18-50 year olds without children would be ineligible to continue to receive food stamps after three months in 36 unless they are working or participating in a workfare, work, or employment and training program. Individuals may qualify for three additional months out of 36 if they have worked or participated in a work or workfare program for 30 days and lose that placement. Permits states with waiver requests denied by August 1, 1996 to lower the age at which a child exempts a parent/caretaker from food stamp work rules from 6 years to 1 year old.

- **Program Integrity and Additional Retailer Management Controls:** Doubles recipient penalties for fraud violations to one year for first offense and two years for second offense; permanently disqualifies individuals convicted of trafficking in Food Stamp benefits of $500 or more; disqualifies for 10 years those convicted of fraudulently receiving multiple benefits; mandates state participation in the Federal Tax Refund Offset Program (FTROP); allows retention of 35% of collections for fraud claims and 20% for other client error claims; and allows allotment reductions for claims arising from state agency errors.

The bill also requires a waiting period for retailers denied approval; permits disqualification of retailers disqualified under WIC; expands criminal forfeiture; permits permanent disqualification of retailers who intentionally submit falsified applications; and improves USDA's ability to monitor authorized stores.

- **Child Support:** Gives states the option to require cooperation with Child Support Enforcement agencies for custodial and non-custodial parents. Permits states to disqualify non-custodial parents with child support orders who are not paying support.

- **Work Supplementation:** Permits private sector employment initiatives that cash-out benefits to certain employed participants.

- **Program Flexibility and Simplification:** Simplifies program administration by expanding states' flexibility in setting customer service requirements. Allows states to submit standard cost allowances to use in calculating self-employment income; eliminates federal standards applying to hours of office operation; deletes detailed federal requirements over application form; deletes detailed federal customer service over areas such as toll-free telephone numbers; extends expedited service processing period to seven days and extends expedited service only to homeless persons who meet financial criteria; makes use of the income and eligibility verification system (IEVS) and the immigration status verification system (SAVE) optional; permits states to determine their own training needs; and authorizes the Simplified Food Stamp Program, through which states can employ a single set of rules for their state cash assistance programs and the Food Stamp Program. Expands Food Stamp waiver authority to permit projects that reduce, within set parameters, benefits to families. Cash-out of benefits is prohibited under the new waiver authority.

- **Asset Limits:** Sets and freezes the Fair Market Value for the vehicle allowance at $4650.

- **EBT:** Requires EBT implementation by all states by October 1, 2002, unless waived by USDA. Exempts Food Stamp EBT from the requirements of Regulation E.

- **Commodity Programs:** Consolidates the Emergency Food Assistance Program and the Soup Kitchen/Food Bank Program; provides for $100 million in mandatory spending in the Food Stamp Act to purchase commodities. Provides for state option to restrict benefits to illegal aliens.

<u>Title IX: Miscellaneous</u>

- **Title XX -- Social Services Block Grant:** Annual funding for the Social Services Block Grant would be reduced from $2.8 billion in FYs 1990-1995 to $2.38 billion (15% reduction) in FYs 1996-2002, and returning to $2.8 billion in FY 2003 and each succeeding fiscal year. Non-cash vouchers for children that become ineligible for cash assistance under Title IV-A time limits are authorized as an allowable use of Title XX funds.

- **Abstinence Education:** Starting in FY 1998, $50 million a year in mandatory funds will be added to the appropriations of the Maternal and Child Health (MCH) Block Grant. The funds would be allocated to states using the same formula used for Title V MCH block grant funds. Funds would enable states to provide abstinence education with the option of targeting the funds to high risk groups (i.e. groups most likely to bear children out-of-wedlock). Education activities are explicitly defined.

- **Drug Testing:** Nothing in federal law shall prohibit states from performing drug tests on AFDC recipients or from sanctioning recipients who test positive for controlled substances.

- o **A broken system.** When President Clinton ran for president four years ago, he pledged to end welfare as we know it. Since taking office, President Clinton has done everything in his power to transform the welfare system into one that rewards work, protects children, and promotes parental responsibility. Although we've given 78 waivers to 43 states, the President has emphasized from the start that we need national legislation to help build a better future for the women and children now trapped in poverty.

- o **A much improved bill.** We've come a long way in this debate. Last year the Republican majority in Congress sent President Clinton legislation that had its priorities backward: it was soft on work, and tough on children. It failed to provide adequate child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare, and help for disabled children. The bill came to President Clinton twice and he vetoed it twice. This new bipartisan legislation is significantly better than the bills the President vetoed.

- o **Rewarding work.** The new law is strong on work. It provides almost $4 billion more for child care, and it gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies, as incentives to hire people, or to create community service jobs. When combined with the EITC and the minimum wage increase won by this Administration, it means that the typical welfare recipient will be better off working than on welfare. In Colorado, for example, a mother with two children will increase her income by more than 50 percent -- from $8,000 to $12,600 -- even if she only works part-time at the minimum wage. Plus, she'll receive health care, Food Stamps, help in collecting child support, and child care assistance if she needs it.

- o **Protecting Children.** This new law is better for children than the two bills President Clinton vetoed. It maintains the national nutritional safety net by eliminating the Food Stamp cap and the optional block grant. It drops the deep cuts and devastating changes in school lunch, child welfare and help for disabled children. It allows states to use federal money to provide vouchers to children whose parents can't find work after the time limits expire. It helps protect children by maintaining health and safety standards for day care. It allows the 43 states with existing welfare reform demonstrations to use their own work requirements and time limits. And it preserves the national Medicaid guarantee for poor children, the disabled, pregnant women, and the elderly.

- o **Demanding responsibility**. The law requires teen parents to stay in school and live at home, and it includes the tough child support enforcement measures President Clinton proposed -- the most sweeping crackdown on deadbeat parents in history. We can now say to parents, if you don't pay the child support you owe we will garnish your wages, take away your driver's license, track you across state lines and if necessary make you work off what you owe. Over 10 years, the child support improvements in this bill will provide an additional $24 billion for America's children.

- o **Parts of the law still need to be fixed.** Parts of the legislation are wrong, and the President has pledged to fix them. The law still cuts Food Stamps deeper than it should, mostly for working families with children who have high shelter costs. In addition, the law includes provisions that will hurt legal immigrants, denying medical and other help to families with children who fall on hard times through no fault of their own. This Administration is committed to changing these provisions.

- o **A record of accomplishment.** Over the past three and half years, the Clinton Administration has given 43 states the flexibility they need to promote work and protect children. The Administration has also required teen mothers to stay in school and cracked down on people who owe child support and cross state lines. As a result, child support collections are up 40 percent to $11 billion, and there are 1.6 million fewer people on welfare today than when President Clinton took office.

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A NEW SYSTEM UNDER WELFARE REFORM

The Current Welfare System

Aid to Families with Dependent Children (AFDC) is a cash assistance program, providing aid to poor single mothers and their children, as well as to a few poor two-parent families. As of May 1996, 12.5 million individuals received AFDC -- down from 14.1 million when President Clinton took office. Of those 12.5 million people, approximately 4 million are adults.

Medicaid pays for health care for AFDC recipients and all pregnant women and children up to age 6 with family income up to 133 percent of the federal poverty line. Medicaid coverage is also being phased in for poor children under age 19 by the year 2002. The Food Stamp program provides nutrition assistance to all poor Americans, including AFDC recipients, the elderly, and many poor working families.

The elderly, blind, and disabled also receive public assistance, primarily through the Supplemental Security Income (SSI) program, which provides monthly cash benefits, as well as through the Medicaid and Food Stamp programs.

Changes under Welfare Reform

Under the new law, federal AFDC funds will be delivered to states in the form of fixed block grants, and adults will be limited to 5 years of cash assistance (states will be able to exempt 20 percent of the caseload from the time limit). In addition, recipients will be required to work within two years of receiving assistance, through activities such as unsubsidized or subsidized employment, on-the-job training, or community service. These changes build on the reforms already taking place in 43 states under waivers granted by the Clinton Administration. (For example, 30 states and the District of Columbia currently have some form of time limit in place). The new welfare law preserves Medicaid coverage for poor children, the disabled, pregnant women, the elderly, and people who would have qualified under the previous AFDC rules. It also maintains the Food Stamp program, preserving the national nutritional safety net. It includes new funding for child care and several measures to increase child support collections.

The law also includes provisions opposed by the Administration that would deny SSI and Food Stamps to most legal immigrants for five years or until they attain citizenship. States would have the option to deny Medicaid and AFDC benefits to legal immigrants. Future immigrants would be ineligible for 5 years for most federal means-tested programs, including Medicaid. The President has pledged to fix the provisions in the bill that would deny assistance to legal immigrants and cut back on Food Stamp assistance for working families.

A Fundamental Improvement over the Status Quo

This comprehensive bipartisan welfare reform legislation will change the nation's welfare system into a transitional assistance program that requires work in exchange for time-limited assistance. The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed Medicaid coverage. It also includes tough new child support provisions which will increase collections by $24 billion over 10 years. As the President has said, this legislation gives us a chance "to transform a broken system that traps too many people in a cycle of dependence to one that emphasizes work and independence, to give people on welfare a chance to draw a paycheck, not a welfare check."

Combined with the EITC and the minimum wage increase won by this Administration, the new, transitional welfare system will help move AFDC recipients from welfare to work. In Colorado, for example, a mother with two children will increase her income by more than 50 percent -- from $8,000 to $12,600 -- even if she works part-time at the minimum wage. Plus, she'll receive health care, Food Stamps, help in collecting child support, and child care assistance if she needs it.

	VETOED BILL	CURRENT BILL
Guaranteed Medicaid	NO	YES
Block Grants Food Stamps	YES	NO
Block Grants Foster Care	YES	NO
Cuts Funding for Foster Care	YES	NO
Block Grants Adoption Assistance	YES	NO
Cuts Funding for Adoption Assistance	YES	NO
Cuts Funding for Investigation of Child Abuse	YES	NO
20% Exemption From Time Limit	NO	YES
Adequate Child Care Funding	NO	YES
Child Care Health and Safety Standards	NO	YES
80% Maintenance of Effort Required	NO	YES
Teens Required to Live at Home	YES	YES
Performance Bonus for States	NO	YES
Child Support Enforcement	YES	YES
Cuts Cash Assistance by 25% for Some Disabled Children	YES	NO

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Questions and Answers on Welfare Reform
August 21, 1996

Q: Why did the President sign the welfare reform bill?

A: The President signed this bill because it will change the nation's welfare system into a transitional assistance program that requires work in exchange for time-limited assistance. The bill contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed Medicaid coverage. As the President has said, this legislation gives us a chance "to transform a broken system that traps too many people in a cycle of dependence to one that emphasizes work and independence, to give people on welfare a chance to draw a paycheck, not a welfare check."

Combined with the EITC and the minimum wage increase won by this Administration, the new, transitional welfare system will help move AFDC recipients from welfare to work. In Colorado, for example, a mother with two children will increase her income by more than 50 percent -- from $8,000 to $12,600 -- even if she only works part-time at the minimum wage. Plus, she'll receive health care, Food Stamps, help in collecting child support, and child care assistance if she needs it.

The President has pledged to fix the provisions in the bill that would deny assistance to legal immigrants and cut back on Food Stamp assistance for working families. As the President has said, these provisions are wrong, and his Administration will work to correct them.

Q: Isn't it true that the President only decided to sign the bill because of political concerns?

A: Not at all. This is a President who has always stood on principle. Our opponents have criticized his children's tobacco initiative, but he has not backed down. They have criticized his success at getting handguns off the street, but he has not wavered. Reforming the welfare system is something that he's always been committed to, and he believes it is important to begin changing the failed system as quickly as possible.

Overall, there is more good than bad in this bill. Child care spending, for example, is almost $4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in $24 billion for America's children and free up billions more in welfare payments that can now be used for job training. This legislation makes other significant improvements over the bills the President vetoed -- it drops the deep cuts and devastating changes in foster care, adoption assistance, child abuse prevention programs, the school lunch program, and aid to disabled children.

Q: Isn't it true that all of his policy advisors recommended a veto?

A: No. Some Administration officials have expressed concerns about the final bill, but that's not new. The official letters sent to Congress have always expressed concerns.

But the Administration believes that there is more good than bad in this bill. Child care spending, for example, is almost $4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in $24 billion for America's children and will free up billions more in current welfare payments that can now be used for work activities.

Every Administration official also knows that this bill is much improved from the legislation the President vetoed last year. It's still not perfect, but it's imperative that we move away from the failed status quo.

Q: But won't this bill result in more poverty? How can you say that you care about children, and still sign this bill?

A: Very few bills are perfect, and this bill does have some flaws. However, it's important to remember how many victories the President has won since he vetoed the previous bill. This legislation does not dismantle foster care, adoption assistance, child abuse prevention programs, or the school lunch program. It does not deny cash assistance to disabled children. And it includes more funding for child care.

Overall, the Administration believes that there is more good than bad in this bill. Child care spending, for example, is almost $4 billion above current law. The child support enforcement provisions -- all included at the request of the Administration -- will bring in billions of dollars for America's children and free up billions more in welfare payments that can now be used for job training.

It's also important to remember that this Administration expanded the Earned Income Tax Credit, and convinced Congress to increase the minimum wage. Together with the work incentives in this bill, those actions will make many low-wage families better off, and will make work a better deal than welfare. In Colorado, for example, a young mother with two children receives only $8,000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to $12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: Studies, such as the Urban Institute study, have indicated that this reform package will force millions of kids into poverty. Is this true? What are you going to do ensure that it does not force children into poverty?

A: Let's not forget that millions of children and their parents are trapped in poverty now. No computer model can predict with 100 percent accuracy how individuals will respond when the system is fundamentally transformed. We believe that many women on welfare want to work and will do so if they can find child care for their children. We believe that when society demands that absent parents pay child support, they will do so. Under the new welfare law, people will be required to move into jobs, but they will also receive the supports they need -- like child care and health care -- to move from welfare to work. The legislation also contains tough child support enforcement measures that will increase collections by $24 billion over ten years -- providing an enormous amount of money for children's food, clothing, and shelter. It's also important to note that the Urban Institute study did not include the minimum wage increase the Administration recently won, which will have a significant impact for many of these working families.

We strongly believe that work is better than welfare. In Colorado, for example, a young mother with two children now receives only $8,000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy that includes the EITC and the minimum wage increase won by this Administration, she will increase her income by more than 50 percent -- to $12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: Why has the Administration granted other states' waivers, but still hasn't acted on Wisconsin's?

A: Some states have asked HHS to go ahead and approve their waivers, even though they may not be necessary under the new law. There is no special treatment here for any other state over Wisconsin -- these states' requests have been pending longer and are simpler (some states simply submitted amendments to a currently operating demonstration).

(Background: Hawaii's waiver request was received on 5/7/96; Indiana's on 12/14/95, with additional amendments received on 2/6/96; Maryland's request was received on 4/26/96; Minnesota's AFDC waiver was received on 4/4/96, with amendments received on 5/28/96, and Minnesota's Work First waiver was also received on 4/4/96. Kansas' waiver request was received on July 26, 1994, with amendments received on April 30, 1996. DC and Idaho submitted fast-track waiver requests on August 6 and 8, respectively. Wisconsin's official waiver request was received on 5/29/96).

Q: What are the Administration's plans for the Wisconsin waiver since Congressional legislation has now been passed?

A: In fact, no action may be necessary, since the new federal law appears to give Wisconsin all of the flexibility it needs to move forward on its reforms. We won't know for sure until we've carefully reviewed the final bill and report language.

Q: But Governor Thompson says he still does need the waiver, and is accusing the President of reneging on his promise to grant it. Is he right?

A: It appears that the new federal law gives Wisconsin all of the flexibility it needs to move forward on its reforms, so the waiver request may be moot. However, the new law is quite complicated, and we'll need to carefully review the final bill and report language before we'll know for sure.

Q: How will the federal government monitor the states under the new program? How can the federal government ensure that recipients are protected from unfair treatment or discrimination resulting in loss of benefits?

A: Although states will receive considerable flexibility under the Personal Responsibility and Work Act of 1996, the law provides some level of federal oversight and protection for recipients from unfair treatment. The law requires states to submit plans outlining how they will implement the new provisions. These state plans must include objective criteria for delivering benefits and ensuring equitable treatment for recipients. States must also provide opportunities for recipients who have been adversely affected to be heard in a state administrative or appeal process.

In addition, the new law penalizes states that fail to meet bill requirements or misuse federal money by removing a portion of their block grant funding. States that are penalized must expend additional state funds to replace federal grant reductions.

Q: How do you justify removing the federal guarantee from women and children, particularly when the President is so far ahead in the polls? What will be the safety net for women and children who fall on hard times?

A: President Clinton signed "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" into law because the current system is broken, and because Congress made many of the changes he sought under welfare reform. His judgement was based on policy, not politics.

The new law will provide protections for women and children who fall on hard times, including time-limited cash assistance, child care, Medicaid, Food Stamps, and nutrition assistance, while helping recipients move toward work and self-sufficiency. It also contains the toughest possible child support enforcement -- which will provide new resources for children's food, clothing, and shelter. And, unlike the vetoed bill, it maintains the open-ended federal commitment to Food Stamps, foster care, and adoption services.

Q: What makes you think this dramatic shift will make a difference?

A: As the President said, this law gives us a chance to reform our broken welfare system. The law is strong on work. It provides almost $4 billion more for child care so that mothers can move from welfare to work, and protects their children by maintaining health and safety standards for day care. It gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies, as an incentive to hire people, or to create community service jobs. The law also includes the child support enforcement measures the President proposed two years ago -- the most sweeping crackdown on deadbeat parents in history. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare.

This Administration has already given 43 states the flexibility to reward work, and created millions of new jobs. Welfare rolls have already dropped by 1.6 million since 1992, and we think that progress will continue. Finally, because of the EITC and the minimum wage increase won by this Administration, the typical welfare recipient will be better off working -- even 20 hours per week -- than she was on welfare. In Colorado, for example, a young mother with two children receives only $8,000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to $12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: The President has acknowledged the diversity of welfare recipients. Are there provisions in the bill to take into consideration the special circumstances women often face?

A: Yes. The new law enables states to allow women with children under age six to work only 20 hours per week, and exempts single parents with children under age six from the work requirements and penalties if they are unable to find child care. States can also exempt women with children under age one for a total of 12 months. In addition, the bill allows states to exempt 20 percent of welfare recipients from the time limit.

Q: How will the Administration ensure that women are aware of the exemptions they may be allowed, such as in cases of battering or abuse? What must women do to prove that they fall into these categories?

A: The law provides several avenues through which women can be made aware of any exemptions for which they may qualify. For example, states will provide this information in their state plan, which will be a public document. States will have the option to establish procedures for the screening of domestic violence situations, as well as for referral to appropriate counseling. States may also waive other program requirements (such as time limits) in such cases. For all states, we anticipate that the state plan will specify the exemptions which the state has elected. The Administration plans to issue some guidance to states on this subject.

The statute requires that states set forth objective criteria for the delivery of benefits, determination of eligibility, and for fair and equitable treatment. As part of these criteria, it must explain the administrative or appeals process which will be available to individuals adversely affected by state agency decisions. The Administration believes this provision is critical to ensuring that individuals within each state receive the benefits and protections available under the state program.

Q: Isn't it unfair that people with disabilities will be affected so adversely by this legislation? Won't the long-term impact be greater for individuals who are forced into institutions as result of being cut off from SSI?

A: Under the new law, most legal immigrants will be ineligible for SSI until citizenship. The Administration opposes this provision, and the President has pledged to fix this flaw in the bill. The President has said that immigrant children and disabled immigrants who need help should get it.

(The law narrows SSI's definition of disability for children. However, over 95 percent of these children who would lose SSI are expected to qualify for Medicaid, through the phase-in of poverty-level children or other mechanisms).

Q: How will the children of mothers who are cut off from Food Stamps get fed?

A: If a mother were to hit the time limit, she and her family would continue to receive Food Stamp benefits, and the Food Stamp benefits would slightly increase to offset some of the loss in cash assistance. And everyone in the family would continue to receive Medicaid. Children of mothers cut-off from Food Stamps for failing to meet work requirements will continue to receive Food Stamp benefits. In those rare cases, the USDA will redetermine the families' eligibility excluding the mothers' needs in calculating total benefits.

Q: How is the additional $4 billion for child care distributed? Who gets the money?

A: The new law increases child care funding by nearly $4 billion over 6 years, allowing more mothers to leave welfare for work. States will receive an initial allotment each year from a fund of approximately $1.2 billion. To access additional funds, states must maintain their own spending at 100 percent of their FY 1994 or 1995 spending on child care (whichever is higher). Additional funding will be available for state match at the 1995 Medicaid rate. By contrast, the bill the President vetoed increased child care funding by just $300 million over current law, and did not require states to meet child care maintenance of effort requirements to access additional federal child care funding, allowing states to lower their own spending.

Q: How do the expanded child support enforcement measures work?

A: The new law includes the child support enforcement measures President Clinton proposed in 1994 -- the most sweeping crackdown on non-paying parents in history. These measures could increase child support collections by $24 billion and reduce federal welfare costs by $4 billion over 10 years. Provisions include:

National new hire reporting system. The law establishes a Federal Case Registry and National Directory of New Hires to track delinquent parents across state lines. It also requires that employers report all new hires to state agencies, which will then report to the National Directory of New Hires. The law also expands and streamlines procedures for withholding child support from wages.

Streamlined paternity establishment. The new law streamlines the legal process for paternity establishment, making it easier and faster to establish paternities. It also expands the voluntary in-hospital paternity establishment program, started by the Clinton Administration in 1993, Individuals who fail to cooperate with paternity establishment will have their monthly cash assistance reduced by at least 25 percent.

Uniform interstate child support laws. The new law provides for uniform rules, procedures, and forms for interstate cases.

Computerized state-wide collections. The new law requires states to establish central registries of child support orders and centralized collection and disbursement units. It also requires expedited state procedures for child support enforcement.

Tough new penalties. Under the new law, states can implement tough child support enforcement techniques. The new law will expand wage garnishment, allow states to seize assets, and enable states to revoke drivers and professional licenses for parents who owe delinquent child support.

"Families First." Under a new "Family First" policy, families no longer receiving assistance will have priority in the distribution of child support arrears. This new policy will bring families who have left welfare for work about $1 billion in support over the first 6 years.

Access and visitation programs. In an effort to increase noncustodial parents' involvement in their children's lives, the new law includes grants to help states establish programs that support and facilitate noncustodial parents' visitation with and access to their children.

Q: What are individual development accounts? Are they optional or included in every state?

A: The new law explicitly allows states to use block grant money for programs to fund individual development accounts for recipients. These accounts would not be counted as income in determining benefits, and could be used by individuals to finance a small or micro-business, to pursue post-secondary education, or to purchase their first home. Twelve states have already done something similar under waivers we've granted.

Q: Why are you still granting waivers to states? Is this a way to undermine the work requirement provisions of the new law?

A: Although most states will no longer need waivers to implement welfare reform under the new law, HHS is continuing to grant waivers to states that have requested them. Some states with pending waiver requests asked HHS to either approve the entire waiver request or to extract provisions that would apply under the fast track waiver approval process. A few states without waivers already approved or pending have also submitted applications under the fast track approval process. The Clinton Administration has already approved 78 demonstrations for 43 states, and we're continuing our commitment to state flexibility.

This is not going to undermine the work requirements in the new law. The welfare reform legislation includes a provision that would give states the option to continue their welfare reform demonstrations. Also under this provision, states would not have to follow the new legislative mandates if those features were inconsistent with the state's demonstration, which include defined work activities, time limits, etc. HHS, along with the states, is seeking to clarify the language of the bill with respect to this provision. However, it is the department's understanding that all states would have to meet the work participation rates in the legislation.

Q: How does the exemption from the time limit work? Is it 20 percent over a year or at any one time?

A: The law states that the number of exempt families for a fiscal year may not exceed 20 percent of the average monthly caseload. HHS will issue further guidance on calculation of this limit in the future. However, it is important to note that the welfare bill vetoed by the President contained only a 15 percent exemption, and the Administration worked very hard to ensure that the welfare legislation included adequate exemptions from the time limit. We believe that the 20 percent exemption in the new law is adequate.

Q: Do you have any estimates on how many states will make use of the domestic violence exemption? Does this exemption apply to the work requirements as well as to the time limit?

A: We do not have estimates on how many states will make use of the time-limit exemption, which is optional. We will have that information when the states submit their plans.

The law does not include a specific exemption from the work requirements. However, the bill does allow states to waive program requirements for victims of domestic violence, and allows states to exempt 20 percent of welfare recipients from the time limit. States may also take this factor into consideration in developing individual responsibility plans and in making decisions about how to reach the participation rates specified in the bill.

Q: Now that Medicaid will be separate from AFDC, how will the Medicaid eligibility be determined? What will happen to the families who are no longer eligible for AFDC under the new system?

A: President Clinton insisted that welfare reform not end guaranteed health care coverage for pregnant women, poor children, the disabled, and the elderly -- and the new law preserves the Medicaid guarantee. In general, individuals who would were eligible for Medicaid before welfare reform will still be eligible for Medicaid under the new law. In addition, families that lose cash assistance eligibility due to the time limit will remain eligible for Medicaid. The new law also provides one year of transitional Medicaid for families that leave welfare because of increased earnings, and maintains the current law provision of four months of transitional Medicaid for families who leave welfare due to increased child support.

States do have the option to end Medicaid coverage for some adults -- except pregnant women -- who lose their cash assistance eligibility because they failed to meet work requirements. (This is similar to current law, which denies Medicaid to adult recipients who refuse to cooperate with paternity establishment). However, children will retain Medicaid eligibility even if their mother is deemed ineligible.

Q: In the past, SSI has been the gateway for certain individuals to receive Medicaid and Food Stamps. Will those deemed ineligible for SSI under the new legislation still be eligible for Medicaid or Food Stamps?

A: For current legal immigrants, states have the option to eliminate Medicaid assistance along with SSI, but we don't expect states to do so. Immigrants who arrive in the future will be barred from Medicaid for five years. The President opposes these provisions, and will work to change them. As the President said, "This provision has nothing to do with welfare reform; it is simply a budget-saving measure, and it is not right ... I am convinced when we send legislation to Congress to correct it, it will be corrected." In any case, immigrants will still be eligible for emergency medical assistance and other limited kinds of care, such as immunizations.

The law narrows SSI's definition of disability for children. However, over 95 percent of these children who would lose SSI are expected to qualify for Medicaid, through the phase-in of poverty-level children or other mechanisms.

Q: How will this legislation impact legal immigrants and when?

A: Under the new law, most legal immigrants will be ineligible for SSI and Food Stamps until citizenship. Current recipients may lose eligibility for these programs immediately at the time of regular redetermination for eligibility. States have the option to make most current legal immigrants ineligible for Medicaid, AFDC, Title XX Social Services, and state-funded assistance until citizenship. Future immigrants will be ineligible for five years for most federal means-tested programs, including Medicaid, but these immigrants will be eligible for Head Start and the Job Training Partnership Act.

All applicants for most federal, state, and local programs will be subject to new verification requirements to determine if they are "qualified" or "non-qualified." Qualified immigrants will include legal permanent residents, refugees, asylees, immigrants whose deportation has been withheld, and immigrants who have been granted parole status by the INS for a period of one year. Non-qualified immigrants would be ineligible for benefits (except emergency medical, school lunches/breakfasts if they are eligible for a free public education, short-term disaster, limited public health assistance, non-profit, in-kind community services such as shelters and soup kitchens, and certain housing benefits).

Future sponsors and immigrants would be required to sign new, legally binding affidavits of support. For these future immigrants, the new law extends deeming to citizenship, changes deeming to count 100 percent of a sponsor's income and resources, and expands the number of programs that are required to deem, including Medicaid.

The President opposes these provisions, and will work to change them. As the President said, "This provision has nothing to do with welfare reform; it is simply a budget-saving measure, and it is not right ... I am convinced when we send legislation to Congress to correct it, it will be corrected." In any case, immigrants will still be eligible for emergency medical assistance and other limited kinds of care, such as immunizations.

Q: When will you propose legislation to reverse the discrimination against legal immigrants? What will that legislation look like? Where will the funding come from to provide assistance for these individuals?

A: The President has said that he will work to fix the Food Stamp and legal immigrant problems in the bill, and the Administration is working on legislative proposals to remedy these flaws. We do not have a timeline yet for this process, but we'll work with Congress and the states to get it done. The President has said that legal immigrants who fall on hard times through no fault of their own and need help should get it, although their sponsors should take additional responsibility for them. The Administration's proposals will still save money over current law.

Q: One hundred and twenty-three Democratic members of Congress supported this package. Did they understand the impact of the provisions affecting legal immigrants, and did they support these provisions, or did they support the bill in spite of those provisions?

A: Democrats and Republicans voted for this legislation because they know that the current welfare system is broken and must be fixed. Like the President, many members of Congress are concerned about the provisions affecting legal immigrants, and they are supportive of the Administration's plan to fix this flaw in the law. Let's remember that this bill is much better than what the President vetoed. That legislation was soft on work and tough on children. It failed to provide adequate child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare, and help for disabled children. The bill came to President Clinton twice and he vetoed it twice. This new legislation is much improved. Congress has removed many of the worst elements the President objected to, and has included many of the improvements the President called for.

Q: What specifically is the Administration planning to do to address the flaws in the legislation? And when? What about the AFDC portion of the legislation?

A: The President has said that he will work to fix the Food Stamp and legal immigrant problems in the bill, and the Administration is working on legislative proposals to remedy these flaws. We do not have a timeline yet for this process, but we'll work with Congress and the states to get it done. In terms of the AFDC provisions, states will be able to use their block grant funds, which initially provide most states with more resources than they currently receive, to move people into jobs and help employers create new positions for welfare recipients. Additional child care funding, new resources from child support enforcement, and the guarantee of nutrition assistance, foster care and adoption services, and health care coverage will work together to help families move from dependence to self-sufficiency. We will closely monitor the states to be sure that they are rewarding work and meeting the goals of the legislation. This new law gives states powerful performance incentives to place people in jobs. We also know that 43 states are already promoting work and protecting children under welfare waivers granted by the Clinton Administration.

Remember, the minimum wage and EITC improvements we've won for will make work pay. In Colorado, for example, a young mother with two children receives only $8,000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to $12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: When does the new welfare system take effect?

A: The new law goes into effect on July 1, 1997. States are required to submit plans by that date detailing how they will meet the law's provisions, and these plans will be reviewed for completeness by HHS. Upon completion of their plans, states will be able to draw down block grant funds.

Q: How will states address such needs as transportation and job training? Where will the resources come from?

A: Most states will initially receive more funding under the cash assistance block grant than they currently receive -- resources that will enable states to provide transportation, job training, and other work-related services to move people from welfare to work. And, as rolls continue to shrink, states will also be able to use money now used for welfare checks to provide these work-related services, community service jobs, or income subsidies for employers to hire people.

Q: What is the President's position on Senator Wellstone's resolution calling for a continued safety net for battered women? This did not pass as part of the welfare reform bill -- will the President work to have it reintroduced as legislation when Congress comes back into session?

A: The Administration has not yet decided what would be included in a legislative package to improve the welfare legislation Congress passed.

Q: How will you protect teen mothers who are required to live at home but are at risk of being sexually, physically, or emotionally abused in those settings?

A: The law requires teen parents to live at home <u>or</u> in an adult-supervised setting in order to receive assistance. States will be required to locate alternative living arrangements for those teens who may be at risk of abuse in their homes.

Q: There is a two-year limit for women to find jobs -- where will these jobs come from?

A: This bill gives states the ability to create jobs by taking money now used for welfare checks and give it to employers as income subsidies, as an incentive to hire people, or to create community service jobs. It also builds on the reforms taking place in 43 states under waivers granted by the Clinton Administration. Some of these states are securing private sector jobs for welfare recipients by providing wage subsidies and forging new private/public sector partnerships. In other states, employers are providing work place mentoring for participants and contributing to special accounts that recipients can later use to increase their education and training. The new law requires that adults be engaged in work activities within two years, but allows states some flexibility in defining those activities. Private sector jobs, volunteer activities, and community service jobs all count as "work," and welfare recipients initially have to work only 20 hours per week to meet the requirements.

Q: Some Democrats have said that this legislation is just the beginning of needed reforms to the welfare system. Do you agree? What do you plan to do to build on this, and when?

A: This welfare legislation is a critical step in transforming our broken welfare system into one that requires work and promotes parental responsibility. The new law will make sweeping changes to the welfare system -- through time limits, work requirements, child care resources, and the toughest ever child support enforcement. When combined with an increased minimum wage and the EITC, we expect that it will make a fundamental difference in moving people from welfare to work. In Colorado, for example, a young mother with two children now receives only $8,000 a year in welfare and Food Stamps, and she may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to $12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

The President is also planning to take other steps to increase the availability of jobs for welfare recipients, which he will announce soon.

Q: Did you speak with the people who will be affected most by these changes?

A: The President and other members of the Administration have met with welfare recipients to discuss their experiences and ways to best change the system. The President also met with welfare recipients at the Blair House meeting on welfare reform last year. As the President said in his 1995 State of the Union Address, "I may be the only President who has had the opportunity to sit in a welfare office, who's actually spent hours and hours talking to people on welfare. And I am telling you, the people who are trapped on it know it doesn't work."

Q: For those who have not completed high school, lack sufficient language skills and are functionally illiterate, what kind of work can they expect to get?

A: The new law requires that adults be engaged in work activities within two years, but allows states some flexibility in defining those activities. Private sector jobs, volunteer activities, and community service jobs all count as "work," and welfare recipients initially have to work only 20 hours per week to meet the requirements. We strongly believe that work is better than welfare. In Colorado, for example, a young mother with two children now receives only $8,000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy that includes the EITC and minimum wage increase won by this Administration, she will increase her income by more than 50 percent -- to $12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

Q: Will children of legal immigrants be denied school lunches under the new law?

A: All children, including those of legal immigrants, who are eligible for public school will continue to receive free school breakfasts and lunches under the new law.

Q: How does this reform affect public housing?

A: This new law does not affect public housing -- the Clinton Administration is maintaining our investment in housing for poor families. Poor families will also continue to receive Medicaid and Food Stamp benefits.

Q: Who will create and fund the needed job training programs?

A: Most states will initially receive more funding under the cash assistance block grant than they currently receive -- resources that will enable states to provide transportation, job training, and other work-related services to move people from welfare to work. And, as rolls continue to shrink, states will also be able to use money now used for welfare checks to provide these work-related services, community service jobs, or income subsidies for employers to hire people.

Q: The social services agencies that deal with child abuse and neglect, teen pregnancy, and juvenile crime, are already overwhelmed. Will this legislation result in an increased need for these services without providing funding?

A: This legislation preserves the foster care, adoption, child welfare, and family preservation programs -- the federal government and the states will continue to work to meet the needs of children and families at risk. In addition, the legislation contains new funds for teen pregnancy prevention and abstinence programs, and it requires at least 25 percent of communities to have teen pregnancy prevention programs in place.

Q: If corporate America has been laying off employees and downsizing, and the job market is filled with skilled laborers, how will unskilled workers fit in?

A: Since taking office, the Clinton Administration has created 10 million new jobs and provided new employment opportunities for workers of various skill levels. And, as welfare rolls continue to shrink, states will be able to use money now used for welfare checks to provide work-related services, community service jobs, or income subsidies for employers to hire welfare recipients.

For Internal Use Only

Work Will Pay More Under Welfare Reform

People On Welfare Who Work Will Be Better Off

Because of the changes we've proposed in the minimum wage and the EITC, the typical welfare recipient will be better off working -- even 20 hours per week -- than she was on welfare.

In Colorado, for example, a young mother with two children receives only $8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to $12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

People Who Move From Welfare To Work Will Be Better Off

Because of the EITC and minimum wage increase, single parents who are already working will also be better off. A woman working 20 hours a week will see her take-home pay increase from $10,000 to $12,600. And a woman working full-time will see her earnings increase from $12,680 to $15,700 -- an increase of 25 percent.

HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

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The Personal Responsibility and Work Opportunity Reconciliation Act of 1996

On August 22, President Clinton signed into law "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," a comprehensive bipartisan welfare reform plan that will dramatically change the nation's welfare system into one that requires work in exchange for time-limited assistance. The bill contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed medical coverage.

Highlights of "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" follow.

MAKING WELFARE A TRANSITION TO WORK

- **Work requirements.** Under the new law, recipients must work after two years on assistance, with few exceptions. Twenty-five percent of all families in each state must be engaged in work activities or have left the rolls in fiscal year (FY) 1997, rising to 50 percent in FY 2002. Single parents must participate for at least 20 hours per week the first year, increasing to at least 30 hours per week by FY 2000. Two-parent families must work 35 hours per week by July 1, 1997.

- **Supports for families transitioning into jobs.** The new welfare law provides $14 billion in child care funding -- an increase of $3.5 billion over current law -- to help more mothers move into jobs. The new law also guarantees that women on welfare continue to receive health coverage for their families, including at least one year of transitional Medicaid when they leave welfare for work.

- **Work Activities.** To count toward state work requirements, recipients will be required to participate in unsubsidized or subsidized employment, on-the-job training, work experience, community service, 12 months of vocational training, or provide child care services to individuals who are participating in community service. Up to 6 weeks of job search (no more than 4 consecutive weeks) would count toward the work requirement. However, no more than 20 percent of each state's caseload may count toward the work requirement solely by participating in vocational training or by being a teen parent in secondary school. Single parents with a child under 6 who cannot find child care cannot be penalized for failure to meet the work requirements. States can exempt from the work requirement single parents with children under age one and disregard these individuals in the calculation of participation rates for up to 12 months.

- **A five-year time limit.** Families who have received assistance for five cumulative years (or less at state option) will be ineligible for cash aid under the new welfare law. States will be permitted to exempt up to 20 percent of their caseload from the time limit, and states will have the option to provide non-cash assistance and vouchers to families that reach the time limit using Social Services Block Grant or state funds.

- **Personal employability plans.** Under the new plan, states are required to make an initial assessment of recipients' skills. States can also develop personal responsibility plans for recipients identifying the education, training, and job placement services needed to move into the workforce.

- **State maintenance of effort requirements.** The new welfare law requires states to maintain their own spending on welfare at at least 80 percent of FY 1994 levels. States must also maintain spending at 100 percent of FY 1994 levels to access a $2 billion contingency fund designed to assist states affected by high population growth or economic downturn. In addition, states must maintain 100 percent of FY 1994 or FY 1995 spending on child care (whichever is greater) to access additional child care funds beyond their initial allotment.

- **Job subsidies.** The law also allows states to create jobs by taking money now used for welfare checks and using it to create community service jobs or to provide income subsidies or hiring incentives for potential employers.

- **Performance bonus to reward work.** $1 billion will be available through FY 2003 for performance bonuses to reward states for moving welfare recipients into jobs. The Secretary of HHS, in consultation with the National Governors' Association (NGA) and American Public Welfare Association (APWA), will develop criteria for measuring state performance.

- **State flexibility.** Under the new law, states which receive approval for welfare reform waivers before July 1, 1997 have the option to operate their cash assistance program under some or all of these waivers. For states electing this option, some provisions of the new law which are inconsistent with the waivers would not take effect until the expiration of the applicable waivers in the geographical areas covered by the waivers.

PROMOTING RESPONSIBILITY

<u>Comprehensive child support enforcement</u>. The new law includes the child support enforcement measures President Clinton proposed in 1994 -- the most sweeping crackdown on non-paying parents in history. These measures could increase child support collections by $24 billion and reduce federal welfare costs by $4 billion over 10 years. Under the new law, each state must operate a child support enforcement program meeting federal requirements in order to be eligible for Temporary Assistance to Needy Families (TANF) block grants. Provisions include:

- **National new hire reporting system.** The law establishes a Federal Case Registry and National Directory of New Hires to track delinquent parents across state lines. It also requires that employers report all new hires to state agencies for transmittal of new hire information to the National Directory of New Hires. This builds on President Clinton's June 1996 executive action to track delinquent parents across state lines. The law also expands and streamlines procedures for direct withholding of child support from wages.

- **Streamlined paternity establishment.** The new law streamlines the legal process for paternity establishment, making it easier and faster to establish paternities. It also expands the voluntary in-hospital paternity establishment program, started by the Clinton Administration in 1993, and requires a state form for voluntary paternity acknowledgement. In addition, the law mandates that states publicize the availability and encourage the use of voluntary paternity establishment processes. Individuals who fail to cooperate with paternity establishment will have their monthly cash assistance reduced by at least 25 percent.

- **Uniform interstate child support laws.** The new law provides for uniform rules, procedures, and forms for interstate cases.

- **Computerized state-wide collections.** The new law requires states to establish central registries of child support orders and centralized collection and disbursement units. It also requires expedited state procedures for child support enforcement.

- **Tough new penalties.** Under the new law, states can implement tough child support enforcement techniques. The new law will expand wage garnishment, allow states to seize assets, allows states to require community service in some cases, and enable states to revoke drivers and professional licenses for parents who owe delinquent child support.

- **"Families First."** Under a new "Family First" policy, families no longer receiving assistance will have priority in the distribution of child support arrears. This new policy will bring families who have left welfare for work about $1 billion in support over the first six years.

- **Access and visitation programs.** In an effort to increase noncustodial parents' involvement in their children's lives, the new law includes grants to help states establish programs that support and facilitate noncustodial parents' visitation with and access to their children.

<u>Teen Parent Provisions</u>

- **Live at home and stay in school requirements.** Under the new law, unmarried minor parents will be required to live with a responsible adult or in an adult-supervised setting and participate in educational and training activities in order to receive assistance. States will be responsible for locating or assisting in locating adult-supervised settings for teens.

- **Teen Pregnancy Prevention.** Starting in FY 1998, $50 million a year in mandatory funds would be added to the appropriations of the Maternal and Child Health (MCH) Block Grant for abstinence education. In addition, the Secretary of HHS will establish and implement a strategy to (1) prevent non-marital teen births, and (2) assure that at least 25 percent of communities have teen pregnancy prevention programs. No later than January 1, 1997, the Attorney General will establish a program that studies the linkage between statutory rape and teen pregnancy, and that educates law enforcement officials on the prevention and prosecution of statutory rape.

IMPROVEMENTS OVER THE VETOED BILL

President Clinton vetoed the previous welfare reform bill (H.R. 4) submitted by Congress because it did too little to move people into jobs and failed to provide the supports -- like child care and health care -- that families need to move from welfare to work. "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" includes several improvements over the vetoed bill, including:

- **Guaranteed medical coverage.** The new law preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare. H.R. 4 would have ended the guarantee of Medicaid coverage for cash assistance recipients.

- **Increased child care funding and mandatory child care maintenance of effort.** The new law provides $14 billion in child care funding -- an increase of $3.5 billion over 6 years -- allowing more mothers to leave welfare for work. States will receive an initial allotment each year from a fund of approximately $1.2 billion. To access additional funds, states must maintain their own spending at 100 percent of their FY 1994 or 1995 spending on child care (whichever is higher). By contrast, H.R. 4 increased child care funding by just $300 million over current law, and did not require states to meet child care maintenance of effort requirements to access additional federal child care funding, allowing states to lower their own spending.

- **Incentives for states to move people into jobs.** The new law includes a $1 billion performance bonus to reward states that meet performance targets. H.R. 4 did not contain a cash performance bonus.

- **Preservation of nutrition programs.** H.R. 4 would have given states the option of block granting food stamp benefits. The bill would have also capped federal food stamp program expenditures, limiting maximum benefit increases to 2 percent per year, regardless of growth in need for assistance. The new law maintains the national nutritional safety net by eliminating the block grant option as well as the food stamp cap.

- **Current law child protection and adoption.** Unlike H.R. 4, the new plan maintains current law on child protection and adoption, and does not reduce funds for child welfare, child abuse, foster care and adoption services.

- **Improved contingency fund.** The new law includes a $2 billion contingency fund to protect states in times of population growth or economic downturn. H.R. 4 included a $1 billion contingency fund.

- **Current law child care health and safety standards.** The new law protects children by maintaining health and safety standards for day care. H.R. 4 would have eliminated health and safety protections.

- **Protection of disabled children.** H.R. 4 would have cut SSI by 25 percent for many disabled children. The new law eliminates this proposed two-tier system.

- **Optional family cap.** Under the new law, states have the option to implement a family cap. H.R. 4 required states to deny cash benefits to children born to welfare recipients unless the state legislature explicitly voted to provide benefits.

NECESSARY IMPROVEMENTS

President Clinton has stated that the new law requires several improvements. Specifically, he has pledged to fix two provisions of the welfare bill which he believes have nothing to do with welfare reform.

- **Food Stamps.** According to President Clinton, the new law cuts deeper than it should in Food Stamps, mostly for working families who have high shelter costs.

- **Legal Immigrants.** The law includes provisions that would deny most forms of public assistance to most legal immigrants for five years or until they attain citizenship. The President has said that legal immigrants who fall on hard times through no fault of their own and need help should get it, although their sponsors should take additional responsibility for them.

BUILDING ON THE PRESIDENT'S WORK TO END WELFARE AS WE KNOW IT

Even before Congress passed welfare reform legislation acceptable to President Clinton, states were acting to try new approaches. With encouragement, support, and cooperation from the Clinton Administration, **43** states have moved forward with **78** welfare reform experiments. The Clinton Administration has also required teen mothers to stay in school, required federal employees to pay their child support, and cracked down on people who owe child support and cross state lines. As a result of these efforts and President Clinton's efforts to strengthen the economy, child support collections have increased by 40 percent to $11 billion in FY 1995, and there are 1.6 million fewer people on welfare today than when President Clinton took office. "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996" will build on these efforts by allowing states flexibility to reform their welfare systems and to build on demonstrations initiated under the Clinton Administration.

More Than Half the Nation Enacting Welfare Reform Under the Clinton Administration

The Clinton Administration has approved 78 welfare reform demonstrations in 43 states and the District of Columbia -- more than all previous Administrations combined. In an average month, the demonstrations cover over 10 million people -- approximately 75 percent of all recipients. All of the waivers which we have granted build on many of the central principles of President Clinton's vision for welfare reform, including:

PRINCIPLE	DESCRIPTION	STATES APPROVED
Work	*Thirty-Six states* are helping people move from welfare to work, from receiving welfare checks to earning paychecks, by increasing education and training opportunities and creating public/private sector partnerships.	*36* - Arizona, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Maryland, Massachusetts, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming
Time Limited Cash Assistance	*Thirty-One states* are making welfare a transitional support system, rather than a way of life, by providing opportunity, but demanding responsibility in return.	*31* - Arizona, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, Wisconsin
Child Support Enforcement	*Twenty-Seven states* are strengthening child support enforcement and sending a clear message that both parents must be responsible for their children.	*27* - Arizona, Connecticut, Delaware, Georgia, Hawaii, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oregon, South Carolina, Tennessee, Texas, Vermont, Virginia, Wisconsin
Making Work Pay	*Forty-One states* are providing incentives and encouraging families to work not stay on welfare, so they can achieve and maintain economic self-sufficiency.	*41* - Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Maryland, Massachusetts, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming
Parental Responsibility	*Thirty-Nine states* are promoting parental responsibility by encouraging education, or limiting benefits for families who have another child while on AFDC.	*39* - Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Wisconsin, Wyoming

COMPARISON OF WELFARE REFORM MAJOR PROVISIONS

AFDC - RELATED PROVISIONS

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Child Care	A child care block grant would be authorized at $2.1 billion annually as discretionary spending for FYs 1996 through 2000. Overall, child care would be cut by $1.95 billion over 7 years.	Increases mandatory child care funding over current law by $0.3 billion over six years (April 1996 CBO baseline). Authorizes $9.9 billion in mandatory funding for FYs 1997-2002 and $7 billion in discretionary funding for FYs 1996-2002. States would receive approximately $1 billion of the mandatory funds as a capped entitlement. The remainder would be available for state match (at the Medicaid rate). Requires states to maintain 100 percent of FY 1994 child care expenditures to draw down mandatory funds. No child care guarantee, but single parents with children under six who are unable to find child care are exempted from sanctions and penalties. Eliminates health and safety protections.	Increases mandatory funding over current law by $3.5 billion over 6 years (April 1996 CBO baseline). Authorizes a total of $13.9 billion in mandatory funding for FYs 1997-2002 and $7 billion in discretionary funding for FYs 1996-2002. States would receive approximately $1.2 billion of the mandatory funds each year as a capped entitlement. The remainder would be available for state match. Requires states to maintain 100 percent of FY 1994 or FY 1995 child care expenditures (whichever is greater) to draw down (at 1995 Medicaid rate) the mandatory funds. Single parents with children under 6 who are unable to find child care are exempted from sanctions and penalties. Maintains current law health and safety protections.
Performance Bonus to Reward Work	No provision	No provision. States that exceeded a performance threshold with respect to these measures would have their maintenance of effort standard reduced by up to 8 percentage points.	$1 billion would be available through FY 2003 for performance bonuses. The Secretary of HHS (in consultation with the NGA and APWA), would be required to develop a formula measuring state performance using employment-related criteria, taking the unemployment conditions in the state into account. States would receive a bonus based on their score on the measure(s) in the previous year, but the bonus could not exceed 5 percent of the family assistance grant.
Time Limits	Families who have been on the rolls for 5 cumulative years (or less at state option) would be ineligible for cash aid. States would be permitted to exempt up to 10% of the caseload from the time limit. States would be permitted to provide noncash benefits to families that have reached their time limits.	Families who have been on the rolls for 5 cumulative years (or less at state option) would be ineligible for cash aid. States would be permitted to exempt up to 15% of the caseload from the time limit. States are permitted to use block grant funds provide noncash benefits vouchers to families that are time limited.	Same as vetoed bill, except includes a 20 percent exemption and states would not be permitted to use federal funds to provide noncash assistance to families that reach the time limit. States could use their own funds, and federal Title XX funds, for vouchers.
Personal Responsibility Contract	No provision	No provision	States are required to make an initial assessment of each recipient's skills, work experience, and employability. Personal responsibility contracts could be developed at state option.

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Economic Contingency Grant Fund	No contingency fund. States with high unemployment could borrow from a $1 billion national Rainy Day loan fund. Funds would have to be repaid.	The bill includes $1 billion contingency fund (FYs 1997-2000) for grants to states with high unemployment (state must match): payments from the fund for any fiscal year would be limited to 20 percent of the state's base grant. $800 million grant fund for states with high population growth, benefits lower than 35% of the national average, or above average growth and below average AFDC benefits (no state match); and $1.7 billion loan fund.	Adds $1 billion to the contingency fund for a total of $2 billion. States could meet one of two triggers to access the contingency fund: the unemployment trigger in the H.R. 4 Conference Agreement or a trigger based on food stamps. Under the second trigger, a state would be eligible for the contingency fund if its food stamps caseload increased by 10 percent over the FY 1994-95 level (adjusted for the impact of the bill's immigrant and food stamp provisions on the food stamp caseload). Payments from the fund for any fiscal year would be limited to 20 percent of the state's base grant for that year. A state's federal match rate (for drawing down contingency funds) would be reduced if it received funds for fewer than 12 months in any year. Also includes a supplemental fund for high population growth states and loan fund as in H.R. 4 Conference Agreement.
Block Granting AFDC	Block grants AFDC, EA, and JOBS into a single capped entitlement to states. No individual guarantee of assistance.	Block grants AFDC, EA, and JOBS into a single capped entitlement to states. No individual guarantee of assistance.	Block grants AFDC, EA, and JOBS into a single capped entitlement to states. No individual guarantee, but the state plan must have objective criteria for delivery of benefits and ensuring equitable treatment. The state must provide opportunities for recipients who have been adversely affected to be heard in a state administrative or appeal process. There are no provisions to give the Secretary authority to enforce this provision. Explicitly allows states to use block grant money for programs to fund individual development accounts for recipients. Individual development accounts would not be counted as income in determining benefits, and could be used by individuals to finance a small or micro-business, to pursue post-secondary education, or to purchase their first home.
Maintenance of Effort	No provision	States would be required to maintain 75% of FY 1994 spending on AFDC and related programs for FYs 1996-2000. States with best or most improved performance on specified measures would have their maintenance of effort requirement reduced by up to 8 percentage points.	Requires 80 percent maintenance of effort (reduced to 75 percent if a state meets its work requirements) and tightens the definition of what counts toward the work requirement. No additional reductions in MOE.

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Transferability	A state would be permitted to transfer up to 30 percent of the cash assistance block grant to one or more of the following: the child protection block grant, the Title XX block grant, any food or nutrition block grant, or the child care block grant.	A state would be permitted to transfer up to 30 percent of the cash assistance block grant to one or more of the following: the child protection block grant, the Title XX block grant, or the child care block grant.	A state would be permitted to transfer up to 30 percent of the cash assistance block grant to the child care block grant and the social services (Title XX) block grants. No more than one-third of the amount can be transferred to the social services block grant, and all funds must be spent on programs and services for children and families with incomes that do not exceed 200 percent of poverty. Title XX funds can be used for vouchers.

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Work Requirements	A state's required work participation rate would be set at 10% in 1996, rising to 50% by 2003. Provides pro rata reduction in the participation rate for reductions in caseload levels below FY 1995 that are not due to federal law. Individuals must work an average of 35 hours in FY 2002. Work activities include unsubsidized or subsidized employment, work experience, four weeks of job search, education and skills training directly related to employment, and teens in secondary school.	A state's required work participation rate would be set at 15% in 1996, rising to 50% by 2002. Provides pro rata reduction in the participation rate for reductions in caseload levels below FY 1995 that are not due to eligibility changes. Recipients would be required to participate 35 hours per week by FY 2002. Activities that count toward the work requirement include unsubsidized and subsidized employment, work experience, community service, four weeks of job search and 12 months of vocational training. States have the option to exempt single parents with children under age 1 from work requirement. No part-time work option for mothers with young children. Parents of children under six who cannot find child care cannot be penalized for failure to meet work requirements.	A state's required work participation rate for all families would be set at 25 percent in FY 1997, rising to 50 percent in FY 2002 and thereafter. Includes pro-rata reduction in rate due to caseloads below FY 1995 levels. Single-parent recipients would be required to participate 30 hours per week in FY 2000 and thereafter. Two-parent families must work 35 hours per week immediately. In families receiving federally-funded child care, both parents must work at least 20 hours per week, unless caring for a severely disabled child. The bill allows mothers with children under age 6 to work 20 hours per week. States could exempt from the work requirement single parents with children under age one for a total of 12 months (not necessarily consecutive). Parents of children under age 6 who cannot find child care cannot be penalized for failure to meet the work requirements, but states may not disregard such an adult in calculating work rates. Allows 6 weeks (no more than 4 consecutive) of job search, 12 weeks if state unemployment is at least 50 percent above the national average. Activities that count toward the work requirement are similar to those in H.R. 4, except states could allow 20 percent of caseload to count 12 months of vocational training and secondary school for teens (up to age 19) toward work requirement. Also counts hours parents spend providing day care for other welfare families. States which receive approval for welfare reform waivers before July 1, 1997 have the option to operate their cash assistance program under some or all of these waivers. For states electing this option, some provisions of the new law which are inconsistent with the waivers would not take effect until the expiration of the applicable waivers in the geographical areas covered by the waivers.
Family Cap	States could not use federal funds to provide cash benefits to children born while parent is receiving assistance.	States would be required to deny cash benefits to children born to welfare recipients unless the state legislature explicitly votes to provide benefits.	No provision (due to Byrd rule), so state option. If state has family cap, state may use Title XX funds to provide vouchers.

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Teen Parent Provisions	States would be prohibited from providing cash benefits to minor mothers.	In order to receive assistance, unmarried minor parents would be required to live with an adult or in an adult-supervised setting and participate in educational or training activities. For FYs 1996-2000, an additional $11 billion would be authorized to assist states in locating or providing "second chance homes." $75 million per year would be set aside from the Maternal and Child Health (MCH) Block Grant for an abstinence education program.	In order to receive assistance, unmarried minor parents would be required to live with an adult or in an adult-supervised setting and participate in educational or training activities. In addition, states would be responsible for locating or assisting in locating adult-supervised settings for teens. Starting in FY 1998, $50 million a year in mandatory funds would be added to the appropriations of the Maternal and Child Health (MCH) Block Grant for abstinence education. In addition, the Secretary of HHS will establish and implement a strategy to (1) prevent non-marital teen births, and (2) assure that at least 25 percent of communities have teen pregnancy prevention programs. No later than 1/1/97, the Attorney General would establish a program that studies the linkage between statutory rape and teen pregnancy, and that educates law enforcement officials on the prevention and prosecution of statutory rape.

MEDICAID PROVISIONS

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Medicaid Guarantee	**Welfare Bill:** States would be required to use rules in effect as of March 7, 1995, thus freezing pre-welfare reform AFDC rules for Medicaid eligibility. **Medicaid Bill:** Eliminates guarantee of Medicaid coverage for cash assistance recipients.	Eliminates guarantee of Medicaid coverage for cash assistance recipients.	States have two options for providing Medicaid coverage: 1) States may guarantee coverage for individuals and families in accord with current AFDC income and resource standards; or 2) states may run a single eligibility system provided that eligibility is no more restrictive than the income and resource standards in effect as of July 16, 1996. (Note: for both provisions, states may return to May 1, 1988 standards as allowed under current law). States may deny Medicaid to any adult receiving both Medicaid and benefits under the cash benefits whose benefits are terminated because of failure to meet work requirements.
Medicaid Coverage After Five-Year Time Limit	**Welfare Bill:** Requires states to use state plan provisions in effect on March 1, 1995 to determine Medicaid eligibility. **Medicaid Bill:** States determine eligibility; no guarantee of Medicaid coverage.	States determine eligibility; no guarantee of Medicaid coverage. No provision on Medicaid coverage for families that reach the time limit.	Coverage continues as long as families would have qualified for AFDC under July 16, 1996 rules.
One-Year Transitional Medicaid Coverage	No provision. Transitional Medicaid Assistance is therefore allowed to sunset on 9/30/98 per current law.	No provision	Families receive one year of transitional Medicaid if the family leaves welfare because of increased earnings. Maintains current law of providing transitional Medicaid for four months to families who leave welfare due to increased child support. Provisions are extended through 2002.

FOOD STAMPS PROVISIONS

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Food Stamps	The House bill would cap federal program expenditures regardless of growth. The bill would limit maximum benefit increases to 2% per year, regardless of the increase in food costs. It would terminate benefits for non-disabled childless individuals between 18 and 50 years old unless they are working at least half-time or in a work program. Optional food stamp block grant would be available to states that operate a statewide EBT system. The bill would freeze the standard income deduction and the limit on excess shelter expense deductions at their current levels.	The conference bill disqualifies able-bodied adults between 18 and 50 if they received food stamps for more than four months in the last year and did not work or participate in a work program, unless they live in an area with greater than 10 percent unemployment. An optional food stamp block grant would be available to states that have a fully implemented EBT system or meet certain payment accuracy standards. States choosing block grants would be required to meet specified requirements.	Eliminates the block grant option. Limits childless able-bodied adults between 18 and 50 to three months of food stamp benefits in a 36-month period, unless they were laid off, in which case the exemption is for a total of 6 months. Allows two months of job search or job search training and hardship exemptions for up to 20 percent of persons subject to this requirement. Freezes the cap on the shelter deduction at $342 after 1/1/97 and reduces the standard deduction to $132 in FY 1997 and $122 in FY 1998-2002; indexing of standard resumes afterward.

OTHER PROVISIONS

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Child Nutrition	Replaces child nutrition programs operated outside of schools, WIC, and commodity distribution programs with a block grant to states. Creates a separate block grant to states for school-based child nutrition programs. These provisions would result in cuts of $10 billion over 7 years.	No mandatory child nutrition block grants, but permits up to 7 school nutrition block grant demonstrations. WIC remains a separate program. Child nutrition spending would be reduced by about $6.3 billion over 7 years.	No school nutrition block grant.
Child Support	Includes major comprehensive child support enforcement measures proposed by the Clinton Administration, including paternity establishment, state central registries of child support orders, uniform procedures for interstate cases, and penalties such as license revocation. Eliminates the $50 pass-through of child support to cash assistance recipients.	Includes major comprehensive child support enforcement measures proposed by the Clinton Administration, including paternity establishment, state central registries of child support orders, uniform procedures for interstate cases, and penalties, such as license revocation. Eliminates $50 pass-through of child support to cash assistance recipients.	Similar to vetoed bill, except it eliminates a provision in current law which requires that child support awards in AFDC cases be periodically reviewed and adjusted to ensure that awards are adequate. Also includes a minimum reduction of 25 percent of monthly cash assistance for an individual's failure to cooperate with paternity establishment.
SSI For Children	Children who are now eligible for SSI under the medical listings would continue to receive cash benefits and Medicaid. For applicants after enactment, cash benefits would only be available for children who meet the medical listing and are institutionalized or would be institutionalized if they do not receive personal assistance services required because of their disability. All children who meet the medical listings would be eligible for services under a state block grant funded at 75% of the amount otherwise payable in cash benefits. There would be no guarantee of services under the block grant.	Upon enactment for pending and new applications, would eliminate the comparable severity standard, the IFA, and references to maladaptive behavior in the listing, and would establish a new disability definition for children. Effective January 1, 1997, for current recipients and new applicants, a 2-tiered benefit system would be established. Children who need personal assistance in order to remain at home would receive 100% of the benefit. Children who meet the listings but not the personal assistance criteria would receive 75% of the benefit. Continuing disability reviews would be conducted for low birth weight children within one year of birth, and at least every three years on children under age 18. Representative payees for children would be required to present evidence at the time of a continuing disability review that the child receiving treatment for his or her condition. Eligibility would have to be redetermined, using the adult criteria, within one year following a recipient turning 18.	Upon enactment for pending and new applications, would eliminate the comparable severity standard, the IFA, and references to maladaptive behavior in the listing, and would establish a new disability definition for children. Current beneficiaries found ineligible would lose benefits no sooner than July 1, 1997. Continuing disability reviews would be conducted for low birth weight children within one year of birth, and at least every three years on children under age 18. Representative payees for children would be required to present evidence at the time of a continuing disability review that the child receiving treatment to the extent considered necessary and available for his or her condition. Eligibility would have to be redetermined, using the adult criteria, within one year following a recipient turning 18. For privately insured, institutionalized children, cash benefits would be limited to $30 per month. No two-tier benefit system.

	ORIGINAL HOUSE BILL	VETOED BILL (H.R. 4)	CURRENT BILL
Child Protection and Adoption	Eliminates the current federal entitlement for Foster Care and Adoption Assistance, the capped entitlements for Family Preservation and Support and Independent Living, and a number of discretionary programs for abused, neglected, abandoned, and at-risk children (including the Child Abuse Prevention and Treatment Act, and the Missing and Exploited Children's Act). Replaces these programs with a capped entitlement block grant to the states, and reduces funding available to the states by $6.3 billion over 7 years.	Maintains the entitlement for foster care and adoption assistance maintenance payments and block grants administration and child placement services funding, as well as IV-B parts 1 and 2 and Independent Living. CAPTA and several discretionary programs are combined into a Child and Family Services block grant. Overall, reduces mandatory funding by $400 million over 7 years.	No block grant. Current bill: (1) gives states authority to make foster care maintenance payments using IV-E funds on behalf of children in for-profit child care institutions; (2) extends the enhanced federal match for statewide automated child welfare information systems through 1997; (3) appropriates $6 million per year in each of FYs 1996-2002 for a national random sample study of abused and neglected children; and (4) requires that states consider giving preference for kinship placements, provided that relatives meet state standards.
Immigrants	With certain exemptions, noncitizens would be ineligible for SSI, Medicaid, food stamps, transitional assistance, and social services block grants. Immigrants would become eligible upon naturalization. Exceptions include immigrants too disabled to naturalize and immigrants over 75 with five years residence. Most federal and state needs-based programs would be required to deem the income and resources of sponsors. Deeming would be extended until the immigrant naturalized and would apply to current recipients.	Most legal immigrants would be ineligible for SSI and Food Stamps until citizenship. Current recipients would lose eligibility after January 1, 1997. States would have the option to make most current legal immigrants ineligible for Medicaid, AFDC, Title XX Social Services, and state-funded assistance until citizenship. Future immigrants would be ineligible for five years for most federal means-tested programs, including Medicaid. All applicants for most federal, state, and local programs would be subject to new verification requirements to determine if they are "qualified" or "non-qualified." Qualified immigrants would include legal permanent residents, refugees, asylees, immigrants whose deportation has been withheld, and immigrants who have been granted parole status by the INS for a period of one year. Non-qualified immigrants would be ineligible for benefits (except emergency medical; short-term disaster; limited public health assistance; non-profit, in-kind community services such as shelters and soup kitchens; and certain housing programs). Future sponsors/immigrants would be required to sign new, legally binding affidavits of support. For these future immigrants, H.R. 4 extends deeming to citizenship, changes deeming to count 100 percent of a sponsor's income and resources, and expands the number of programs that are required to deem, including Medicaid.	Same as H.R. 4, except: (1) eliminates eligibility of legal immigrants for SSI and Food Stamps immediately at the time of redetermination, rather than one year after the date of implementation; (2) allows non-qualified immigrant children to be eligible for school lunches/breakfasts if they are eligible for a free public education; (3) adds JTPA and Head Start to the list of programs explicitly exempted from the 5-year eligibility ban on future legal immigrants; and (4) provides states the option to determine whether non-qualified immigrants are eligible for WIC and other child nutrition programs.

STATEMENT BY PRESIDENT CLINTON ON WELFARE REFORM LEGISLATION WEDNESDAY, JULY 31, 1996

PRESIDENT CLINTON: Good afternoon.

When I ran for president four years ago I pledged to end welfare as we know it. I have worked very hard for four years to do just that. Today the Congress will vote on legislation that gives us a chance to live up to that promise -- to transform a broken system that traps too many people in a cycle of dependence to one that emphasizes work and independence, to give people on welfare a chance to draw a paycheck, not a welfare check. It gives us a better chance to give those on welfare what we want for all families in America, the opportunity to succeed at home and at work.

For those reasons, I will sign it into law.

The legislation is, however, far from perfect. There are parts of it that are wrong, and I will work -- I will address those parts in a moment. But on balance, this bill is a real step forward for our country, our values, and for people who are on welfare.

For 15 years I have worked on this problem, as governor and as the president. I've spent time in welfare offices, I have talked to mothers on welfare who desperately want the chance to work and support their families independently. A long time ago I concluded that the current welfare system undermines the basic values of work, responsibility and family, trapping generation after generation in dependency and hurting the very people it was designed to help.

Today we have an historic opportunity to make welfare what it was meant to be: a second chance, not a way of life. And even though the bill has serious flaws that are unrelated to welfare reform, I believe we have a duty to seize the opportunity it gives us to end welfare as we know it.

Over the past three and half years, I have done everything in my power as president to promote work and responsibility, working with 41 states to give them 69 welfare reform experiments. We've also required teen mothers to stay in school, required federal employees to pay their child support, cracked down on people who owe child support and cross state lines. As a result, child support collections are up 40 percent to $11 billion, and there are 1.3 million fewer people on welfare today than there were when I took office.

From the outset, however, I have also worked with members of both parties in Congress to achieve a national welfare reform bill that will make work and responsibility the law of the land.

I made my principles for real welfare reform very clear from the beginning. First and foremost, it should be about moving people from welfare to work. It should impose time limits on welfare. It should give people the child care and the health care they need to move from welfare to work without hurting their children. It should crack down on child support enforcement, and it should protect our children.

This legislation meets these principles. It gives us a chance we haven't had before to break the cycle of dependency that has existed for millions and millions of our fellow citizens, exiling them from the world of work. It gives structure, meaning, and dignity to most of our lives.

We've come a long way in this debate. It's important to remember that not so very long ago, at the beginning of this very Congress, some wanted to put poor children in orphanages and take away all help from mothers simply because they were poor, young, and unmarried. Last year the Republican majority in Congress sent me legislation that had its priorities backward: It was soft on work, and tough on children. It failed to provide child care and health care. It imposed deep and unacceptable cuts in school lunches, child welfare, and help for disabled children.

The bill came to me twice and I vetoed it twice. The bipartisan legislation before the Congress today is significantly better than the bills I vetoed. Many of the worst elements I objected to are out of it, and many of the improvements I asked for are included.

First, the new bill is strong on work. It provides $4 billion more for child care so that mothers can move from welfare to work, and protects their children by maintaining health and safety standards for day care. These things are very important. You cannot ask somebody on welfare to go to work if they're going to neglect their children in doing it. It gives states powerful performance incentives to place people in jobs. It requires states to hold up their end of the bargain by maintaining their own spending on welfare. And it gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as income subsidies, as an incentive to hire people, or being used to create community service jobs.

Second, this new bill is better for children than the two I vetoed. It keeps the national nutritional safety net intact by eliminating the food stamp cap and the optional block grant. It drops the deep cuts and devastating changes in school lunch, child welfare and help for disabled children. It allows states to use federal money to provide vouchers to children whose parents can't find work after the time limits expire. And it preserves the national guarantee of health care for poor children, the disabled, pregnant women, the elderly, and people on welfare.

Just as important, this bill continues to include the child support enforcement measures I proposed two years ago -- the most sweeping crackdown on deadbeat parents in history. If every parent paid the child support they should, we could move 800,000 women and children off welfare immediately. With this bill, we say to parents, if you don't pay the child support you owe we will garnish your wages, take away your driver's license, track you across state lines and if necessary make you work off what you owe.

It is a very important advance that could only be achieved in legislation. I did not have the executive authority to do this without a bill. So I will sign this bill, first and foremost because the current system is broken; second, because Congress has made many of the changes I sought; and third, because even though serious problems remain in the non-welfare-reform provisions of the bill, this is the best chance we will have for a long, long time to complete the work of ending welfare as we know it, by moving people from welfare to work, demanding responsibility, and doing better by children.

However, I want to be very clear. Some parts of this bill still go too far, and I am determined to see that those areas are corrected.

First, I am concerned that although we have made great strides to maintain the national nutritional safety net, this bill still cuts deeper than it should in nutritional assistance, mostly for working families with children. In the budget talks, we reached a tentative agreement on $21 billion in food stamp savings over the next several years. They are included in this bill. However, the congressional majority insisted on another cut we did not agree to, repealing a reform adopted four years ago in Congress which was to go into effect next year. It's called the excess shelter reduction, which helped some of our hardest-pressed working families. Finally we were going to treat working families with children the same way we treat senior citizens who draw food stamps today. Now, blocking this change I believe -- I know -- will make it harder for some of our hardest-pressed working families with children. This provision is a mistake, and I will work to correct it.

Second, I am deeply disappointed that the congressional leadership insisted on attaching to this extraordinarily important bill a provision that will hurt legal immigrants in America, people who work hard for their families, pay taxes, serve in our military. This provision has nothing to do with welfare reform; it is simply a budget-saving measure, and it is not right. These immigrant families with children, who fall on hard times through no fault of their own -- for example, because they face the same risks the rest of us do from accidents, from criminal assaults, from serious illness -- they should be eligible for medical and other help when they need it.

The Republican majority could never have passed such a provision standing alone. You see that in the debate in the immigration bill -- for example, over the Gallegly amendment -- and the question of education of undocumented and illegal immigrant children. This provision will cause great stress for states, for localities, for medical facilities that have to serve large number of illegal -- of legal immigrants -- legal immigrants. It is just wrong to say to people, "We'll let you work here; you're helping our country. You'll pay taxes. You serve in our military. You may get killed defending America. But if somebody mugs you on a street corner, or you get cancer, or you get hit by a car, or the same thing happens to your children, we're not going to give you assistance anymore."

I am convinced this would never have passed alone, and I am convinced when we send legislation to Congress to correct it, it will be corrected.

In the meantime, let me also say that I intend to take further executive action directing the INS to continue to work to remove the bureaucratic roadblocks to citizenship to all eligible legal immigrants. I will do everything in my power, in other words, to make sure that this bill lifts people up and does not become an excuse for anyone to turn their backs on this problem or on people who are genuinely in need, through no fault of their own.

This bill must also not let anyone off the hook. The states asked for this responsibility; now they have to shoulder it and not run away from it. We have to make sure that in the coming years, reform and change actually result in moving people from welfare to work. The business community must provide greater private-sector jobs that people on welfare need to build good lives and strong families. I challenge every state to adopt the reforms that Wisconsin, Oregon, Missouri, and other states are proposing to do, to take the money that used to be available for welfare checks and offer it to the private sector as wage subsidies to begin to hire these people, to give them a chance to build their families and build their lives.

All of us have to rise to this challenge and see this reform not as a chance to demonize or demean anyone, but instead as an opportunity to bring everyone fully into the mainstream of American life, to give them a chance to share in the prosperity and the promise that most of our people are enjoying today. And we here in Washington must continue to do everything in our power to reward work and to expand opportunity for all people.

The earned income tax credit which we expanded in 1993 dramatically is now rewarding the work of 15 million working families. I am pleased that congressional efforts to gut this tax cut for the hardest-pressed working people have been blocked. This legislation preserves the EITC and its benefits for working families.

Now we must increase the minimum wage, which also will benefit millions of working people with families and help them to offset the impact of some of the nutritional cuts in this bill.

Through these efforts we all have to recognize, as I said in 1992, the best anti-poverty program is still a job.

I want to congratulate the members of Congress in both parties who worked together on this welfare reform legislation. I want to challenge them to put politics aside and continue to work together to meet our other challenges, and to correct the problems that are still there with this legislation. I am convinced that it does present an historic opportunity to finish the work of ending welfare as we know it, and that is why I have decided to sign it.

Transcript of Today's White House Press Briefing by Shalala and Reed (1 of 2)

To: National Desk

Contact: White House Press Office, 202-456-2100

WASHINGTON, July 31 /U.S. Newswire/ -- Following is a transcript of today's White House press briefing by Secretary of Health and Human Services Donna Shalala and Assistant to the President for Policy Planning Bruce Reed (1 of 2):

The Briefing Room

3:12 P.M. EDT

MS. GLYNN: Good afternoon, everyone. To finish the briefing on welfare reform we have Secretary of Health and Human Services Donna Shalala and Assistant to the President for Policy Planning Bruce Reed.

SECRETARY SHALALA: Thank you very much. I think the President outlined his reasons for signing the bill brilliantly. Let me talk a little about the reasons why the President vetoed earlier bills and what we've gained, what the policy gains have been in this bill.

First, Medicaid is a stand-alone entitlement program. No longer is it linked -- it's not linked to welfare, and the Medicaid program is allowed to continue. We would still like some reforms in that Medicaid program, but the important thing is that welfare recipients will not be losing their Medicaid, and Medicaid will continue for millions of poor Americans who need health care.

Second, there's $4 billion more for child care in this bill, and we were able to restore the health and safety standards for the child care system in this country, which were absolutely critical. There was an attempt by the Republicans to remove them.

Third, there is no food stamp block grant. The food stamp program stays intact. There's no ceiling limit on it. The President did outline that we have some concerns about the way the cuts were taken, and we'll be looking at those as we do our detailed analysis.

Fourth, there's no child welfare block grant. The child welfare services, which have been the most sensitive kind of services in this country, to limit them in any way -- these are the services that cover foster care, adoption services, 21 states are already under some court order. The Republicans originally wanted to curb those services, put caps on it, block grant it. We said not a chance. These are the most vulnerable children in our society and you have to back away from those proposals.

There are greater protections in this bill for disabled children. There is a doubling of the contingency fund to protect against economic downturns. It's now $2 billion, instead of $1 billion, which is what they had in previous bills. That's extremely important.

For those that believe that we ought to continue to entitlement, the contingency fund becomes critical. That's what is taken up and used if there is an economic downturn in a state. If a state goes into an economic downturn, the people that need help are working folks who get laid off from their jobs and need to come into the welfare system for a very short period of time. So a contingency fund or an alternative like an entitlement becomes increasingly important. The contingency fund here is $2 billion to protect against economic downturns.

There is a 20 percent hardship exemption, which gives the states the flexibility of exempting a large group of people who cannot meet either the work requirements or the time requirements for one reason or another. There is no mandatory family cap. You'll remember that the Catholic Church in particular has been deeply concerned about a family cap that would limit the payments that a state gives, a national family cap if a family has another child -- if a woman has another child. The work requirements in this have actually been made more flexible at the 11th hour. A very interesting change was put in place in this bill, which has not actually been written about, which allows the states to keep the work requirements they negotiated with us in their waivers, as opposed to moving to the work requirements that are in the bill. So the states will have the options during the course of their waivers, and these waivers have been granted between five and 11 years. So for many states they'll have flexibility on the packages they put together.

The school lunch and the nutrition block grant was eliminated in this bill. We fought that early on. And any kind of cut in unmarried teen moms from getting assistance was eliminated. There are major gains in this bill that made it possible for the President to sign the bill, but more importantly from our point of view, made it possible for the bill to work.

Q Secretary Shalala, you have outlined a number of improvements of this bill over the previous two that he vetoed, but in your opinion is this a good bill, is this an improvement on the status quo? Secondly, did you recommend to the President this morning or last night that he in fact sign it? And third, did you ever consider resigning over this bill?

SECRETARY SHALALA: First, on the issue of is this an improvement over the status quo, it is a significant improvement over the status quo. As early as 1984 a number of my colleagues who are now with me at the Department of Health and Human Services, including Mary Jo Bane and I, recommended to Governor Cuomo that we move to an employment-based program with time limits. This program moves us into the modern age, moves -- gives people genuine opportunity to move from welfare to work and puts the support systems around. If you combine this with Earned Income Tax Credit and with the minimum wage, we have powerful incentives to support people, even as they're entering entry-level jobs in this country. And the President has always believed, as all of us do, that the best opportunity for anyone in this country is a job.

This is a significant improvement over the status quo. As to the other two questions, I never reveal publicly advice I give to the President. And I never considered resigning.

Q Ms. Secretary, on the 10 things that you named for us, I wanted to just ask a couple of clarifying questions. The doubling of the contingency fund from $1 billion to $2 billion, is that over what period of time?

SECRETARY SHALALA: Over six years.

Q And the same is true of the $4 billion more for child care?

SECRETARY SHALALA: Yes.

Q What does that bring the total to of child care for the six years?

SECRETARY SHALALA: Fourteen billion dollars.

Q And the 10th thing -- one other question, guys. Will that 10th thing that you named -- you listed -- the unmarried teen moms --

SECRETARY SHALALA: Remember, one of the original bills --

Q What's the provision now?

SECRETARY SHALALA: Unmarried teen moms will be able to finish high school. They'll get support while they're finishing high school as opposed to being cut off from any kind of aid.

Q Is that required or is it up to the states --

MR. REED: When the House Republicans put forward their bill early last year, they included a provision that would have required every state to ban every teen mother from receiving assistance just because they were poor, young and unmarried as the President said.

Q It wasn't in the bill that went to the President the first time was it?

MR. REED: No, no. That's something that was in the original House bill and the President singled that out in his 1995 State of the Union. We had a hard-fought battle which we won early on, and it's not included in the final bill.

SECRETARY SHALALA: Remember for many of us, it's the improvement since our first discussions with the Republicans. Dragging them originally into getting child support into the bill became very important. They did not have it in their original bill; we insisted on it. Child support enforcement for the first time will have the national dimension to it, which means we'll be able to track people down successfully across state lines.

Q Secretary Shalala, you never said whether you liked the bill in response to the last question. And, also, you have liberal

Democrats like Charlie Rangel going to the floor saying my President will boldly throw 1 million children into the street. How do you react to those sorts of comments?

SECRETARY SHALALA: Well, first, I hope that the governors intend to prove Charlie, my good friend Charlie Brown -- Charlie Rangel --Charlie Rangel wrong. And it's the way they're going to manage this program.

Second, I do think it's a good welfare bill. There are parts of it that the President outlined that are outside the welfare bill that we have deep and serious concerns about that include the immigration provisions and the nutrition provisions and, hopefully, we'll be able to make significant strides in getting improvements over our concerns.

Q Will you outline what it is exactly about the nutrition provisions that are objected to?

SECRETARY SHALALA: The President outlined the shelter allowance as one example. For people that -- for low income people working people in some cases, who have very high shelter costs having their calculation for food stamps based on taking into account a certain amount of their shelter costs, the issue is -- it's over 50 percent of their shelter cost, how much above that will be taken into account.

This bill makes some dollar improvements but the law was actually going to take off the limit over 50 percent, a law that was passed which would have protected those who live in high housing cost areas. That becomes extremely important for working families because they do have some income, because they have jobs, but they also need food stamps to supplement and we need to take into account those higher shelter costs.

That becomes a very sensitive issue for us.

Q -- bill does what as --

SECRETARY SHALALA: The bill puts a cap on that amount, and we simply want to be able to take a very careful look at that. In addition, the bill goes into the food stamp program and removes some increases that we have some concerns about, and we will be reviewing those. But remember, we got this bill at midnight last night. The President needed to make a decision fast, so we've done the analysis --

MR. REED: Just to add to what Donna said, there is a cap in current law that was set to expire, effectively next year, and this bill maintains that cap and shaves the increase --

SECRETARY SHALALA: It was the Mickey Leland Food Act, and it was Mickey Leland's legacy to take off that cap.

Q Madam Secretary, when you came this morning to this meeting, did you have a sense, or did you know in your bones what the outcome would be --

SECRETARY SHALALA: No.

Q -- and was it what you expected?

SECRETARY SHALALA: No, I didn't. I expected it to be a full and healthy discussion and thoughtful discussion with the President. And as he described it, that's exactly what it was.

Q And did you believe when you came that either outcome was possible and we just happened to arrive at this outcome?

SECRETARY SHALALA: I don't -- I don't know. I came for a discussion. The President has never invited me to a meeting in which he has already made up his mind, so it was a full discussion this morning.

Q Could you give some of the flavor of that meeting?

SECRETARY SHALALA: No, I think it's inappropriate. We have never described the meetings or the flavor of the meetings. I think the President described the meeting, and I'll stick with the President's description.

Q The President said there is an element of experiment about this. Nobody can say with absolute certainly how it will work or how different states will approach it. What do you think is a fair window of time to be reviewing what the states are doing? And if there is a race for the bottom, when will we know?

SECRETARY SHALALA: Well, as you well know, we have essentially taken the first step towards for welfare reform using the waiver process, so we know something about state behavior and we're just starting to get in the evaluations on state behavior and what's happening in those particular states. The President would want us to monitor what's happening very carefully. We will be able to tell whether states are adding additional money. We will know how many states are moving people into jobs and whether they're staying in those jobs. So we will have information, hopefully state by state, that will tell us what's happening and be able to report to the President and report to Congress about what's going to happen.

The important thing about this bill, and every piece of research has told us, that the states must have a stake in the outcome. They must be a full partner. The more they're involved in it, the more likely you are to get success in terms of state programs. That's what the MDRC told us in their research, and so we have moved dramatically to give the states the authority to design their own programs.

Q Will the bill change anything that's happening in the many states with waivers? Are they exempt -- in addition to being exempt from the work requirements in the bill, are they exempt from any other provisions?

SECRETARY SHALALA: Well, the states will be able to --we have to go back and look at this very carefully. I think that they will be able to take their waivers, look at the new bill, and be able to shape what their overall program -- and remember, some of our waivers are for one county. They will have a lot more flexibility in terms of statewide programs now, in terms of expanding some of those county activities. And so I do expect some changes in the states.

Q Will they be forced to change anything, though, or --

SECRETARY SHALALA: The bill basically allows them to keep their waivers and to work with the rest of the bill. So to the extent that they're forced to it, is -- I think the answer is, there is no forcing, but there are more opportunities in the new bill that they will want to take advantage of. And I think that's the best way to characterize it.

Q -- follow up to that. What's the fate of the Wisconsin waiver?

SECRETARY SHALALA: Well, Wisconsin now has -- I can't talk about Wisconsin. You're going to have to answer Wisconsin. I'm recused. Go ahead. I'm going to Wisconsin --

MR. REED: When this bill becomes law, Wisconsin should be able to do the welfare reform plan that they submitted to us.

Q In other words, the President will take no action on the pending waiver request? What's the --

Q Is it moot --

MR. REED: Yes, I think it's essentially moot.

Q Bruce, when will -- the President said he'd be sending legislation up to fix some of the holes, the problems he saw with the bill, notably the immigrants who will not get Medicaid and other proposals. When will that legislation be ready? When are you planning to send --

SECRETARY SHALALA: He is -- you know, we just analyzed this bill for the President. We just got it, and he told us to get to work. So, we'll let you --

MR. REED: I think that the prospects of enacting that legislation in this Congress are not very good given the circumstances we've run into in the last several weeks.

Q Just to follow up, the prospects of enactment have in the past not necessarily stopped you from the process of promulgation. And the President made it sound as if he thought that was a serious enough concern. Will a proposal from the administration be forthcoming in the remainder of this year or would that wait for the second term?

MR. REED: Well, I think it's likely, but I --

Q Which is likely --

SECRETARY SHALALA: I think it's -- what the President told us to do -- let me go back to the point. What the President told us to do was to get to work and to look at those -- we have to finish our analysis of this bill. We've seen, obviously we've read it and seen enough of it. We need to come back to him and tell him specifically what in the immigration parts of the bill, what in the food stamps parts of the bill that we need to change. And so we're going to work immediately.

You're detail questions about when we're going to have the legislation, we'll just have to answer later.

Q Can I just follow up one second: I think the question is prompted by the President's confidence in expressing that that as a stand-alone provision wouldn't have passed and his apparent resolve in saying that it's so unjust and really unjustifiable as to require a relatively immediate response by you and that it would in fact prevail.

MR. REED: I think as the President said, that he believes that over time as more is learned about the potential impact of these provisions that a consensus will emerge to fix them. But, you know, we have a month left in this Congress. It doesn't seem likely that it would happen.

Q Secretary Shalala, when the Republicans went after politically popular middle class programs from Medicare and on down -- some of them that they tried to block grant to the states -- the President fought like a tiger and said he was willing to put his political future on the line for them. Now here, he has a bill where he himself points to serious flaws affecting children and affecting legal immigrants. Is it just a coincidence that those who are adversely affected by this bill, by your own and by the President's own admission, don't have the vote?

SECRETARY SHALALA: In fact, I come to the opposite conclusion. We fought like tigers to make sure Medicaid wasn't block grant, which hurts -- seriously hurts poor people in this country. We fought like tigers to make sure food stamps wasn't block granted. We fought like tigers to make sure the child welfare services were not block granted or nutrition services. We were successful in holding off some of the most vicious proposals and in shaping a bill that sets out the goals and meets the President's goals that he laid out both in the campaign in the beginning and throughout this administration. And that combined with the earned income tax credit and the minimum wage are significant steps forward for low income Americans and genuine opportunities for them, which after all, is what welfare reform is all about.

Do you want to --

MR. REED: Can I just make one more point about how far we've come in this debate? The original House bill had $75 billion in budget savings related to welfare reform and $34 billion in EITC cuts -- a total of $109 billion in their welfare package. This bill that the President has indicated his support for has $57 billion. So we think that we've come a long way.

Q But from your own starting point --

MR. REED: Our own starting point was, I think --

SECRETARY SHALALA: Deficit-neutral, basically.

MR. REED: The President's 1996 welfare reform plan saved $42 billion combined.

Q No, I mean your own starting point when --

MR. REED: In 1994?

Q Yes.

MR. REED: Which was deficit --

SECRETARY SHALALA: Which was deficit-neutral, basically. Let me also point out that the President has laid out a series of gains for the low income people in this country. From food stamps to Ryan White, to protections in the Medicare program, we have a superb record in this administration. For a generation of vulnerable Americans, this is the most important step we can take --to move from the status quo, to move people from dependency on the welfare system to a job. And I support the President in his decision.

Q Secretary Shalala, can you talk about the sufficiency of the $2 billion contingency fund? If we had a serious national downturn --

SECRETARY SHALALA: If we have a serious national downturn, we need to go back to Congress and make changes. Everybody knows that. The Republicans know that. We know that. The Fed just put out a report in Cleveland pointing out the importance of the economic stabilizing effect of federal money. If you don't, recessions go deeper and broader in states. And the business community could hardly be taxed to pull them out. And everybody will be clamoring back for more resources in the contingency fund. And that, I think, everybody has conceded.

MR. REED: But also, saving the food stamp program has an even greater stabilization effect. Food Stamps is much more responsive to economic downturns than the current AFDC program.

THE PRESS: Thank you.

END 3:34 P.M. EDT

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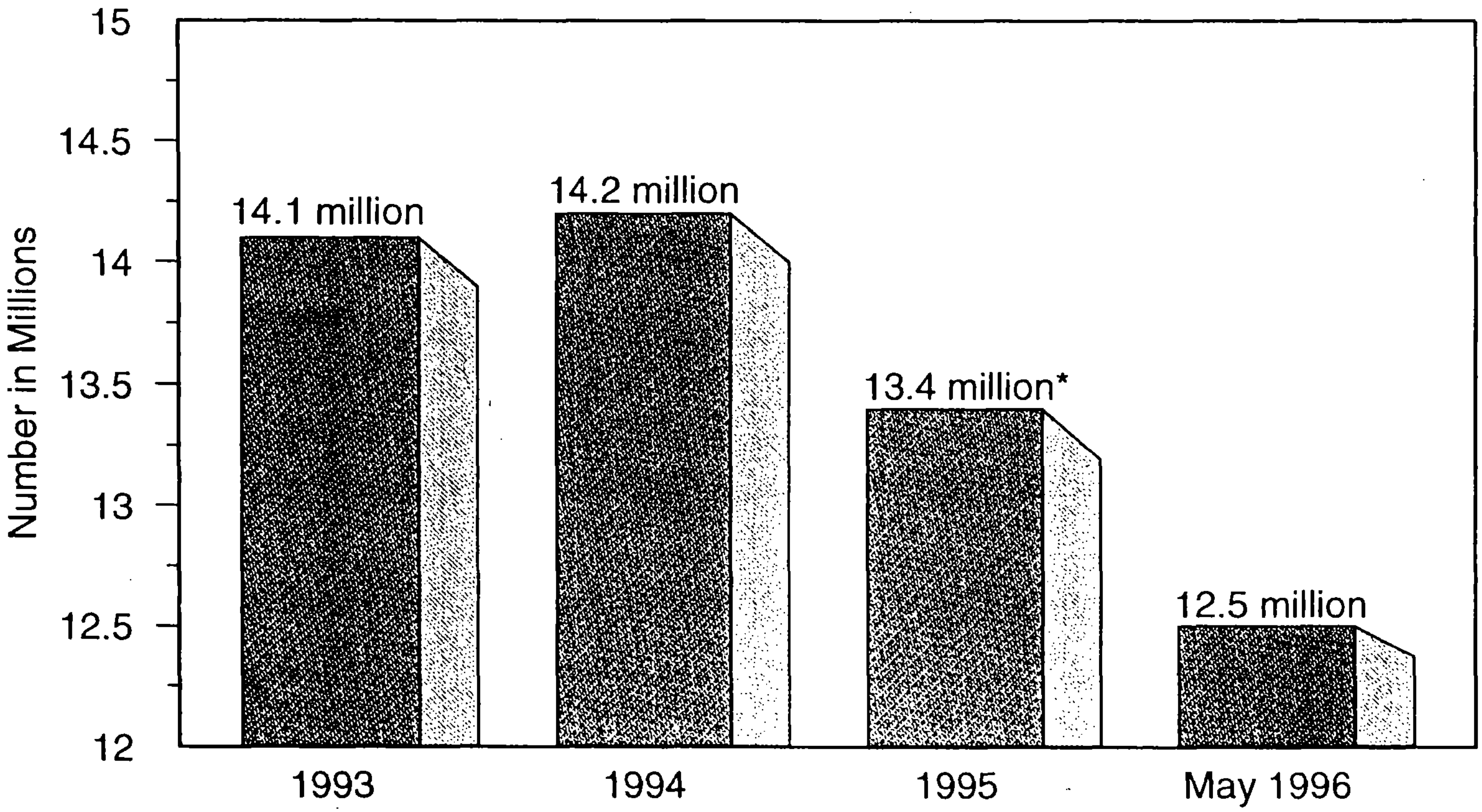
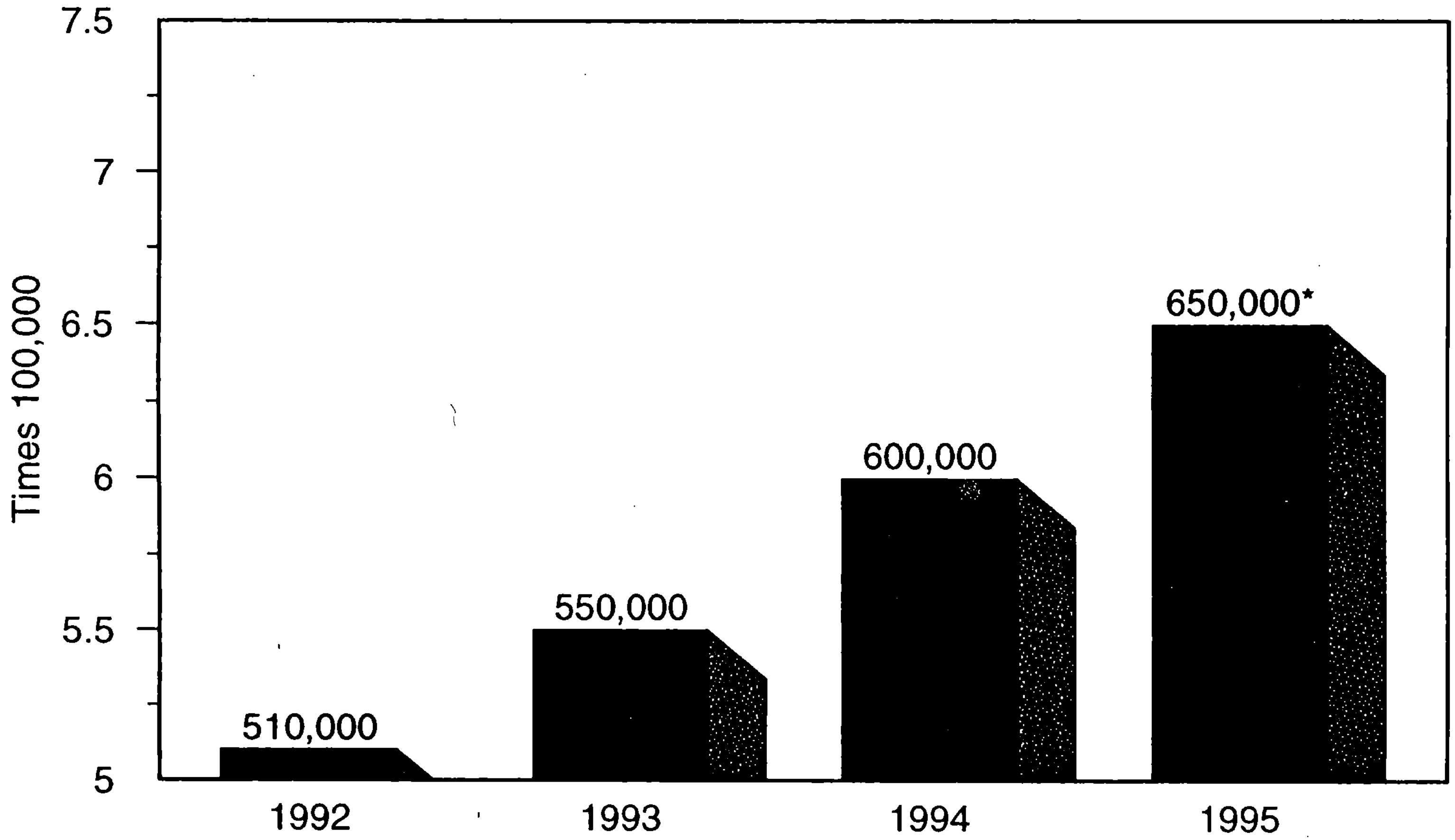
The Total Number of AFDC Recipients Has Declined Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services
*Preliminary Estimate

P92 SG416F

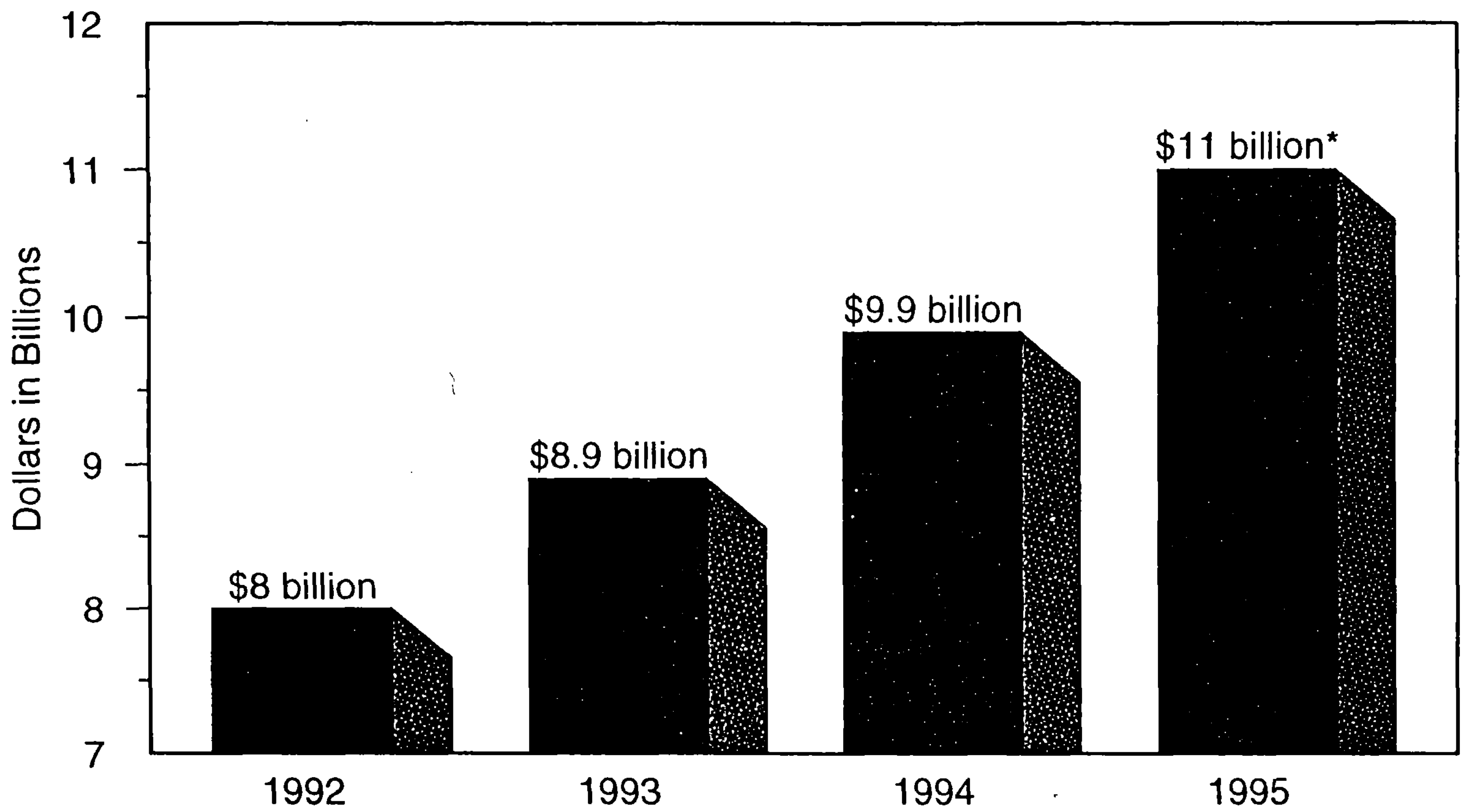
Work and Training Activities Among AFDC Recipients Have Increased Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services
*Preliminary Estimate (All Numbers Rounded)

P92 SG416E

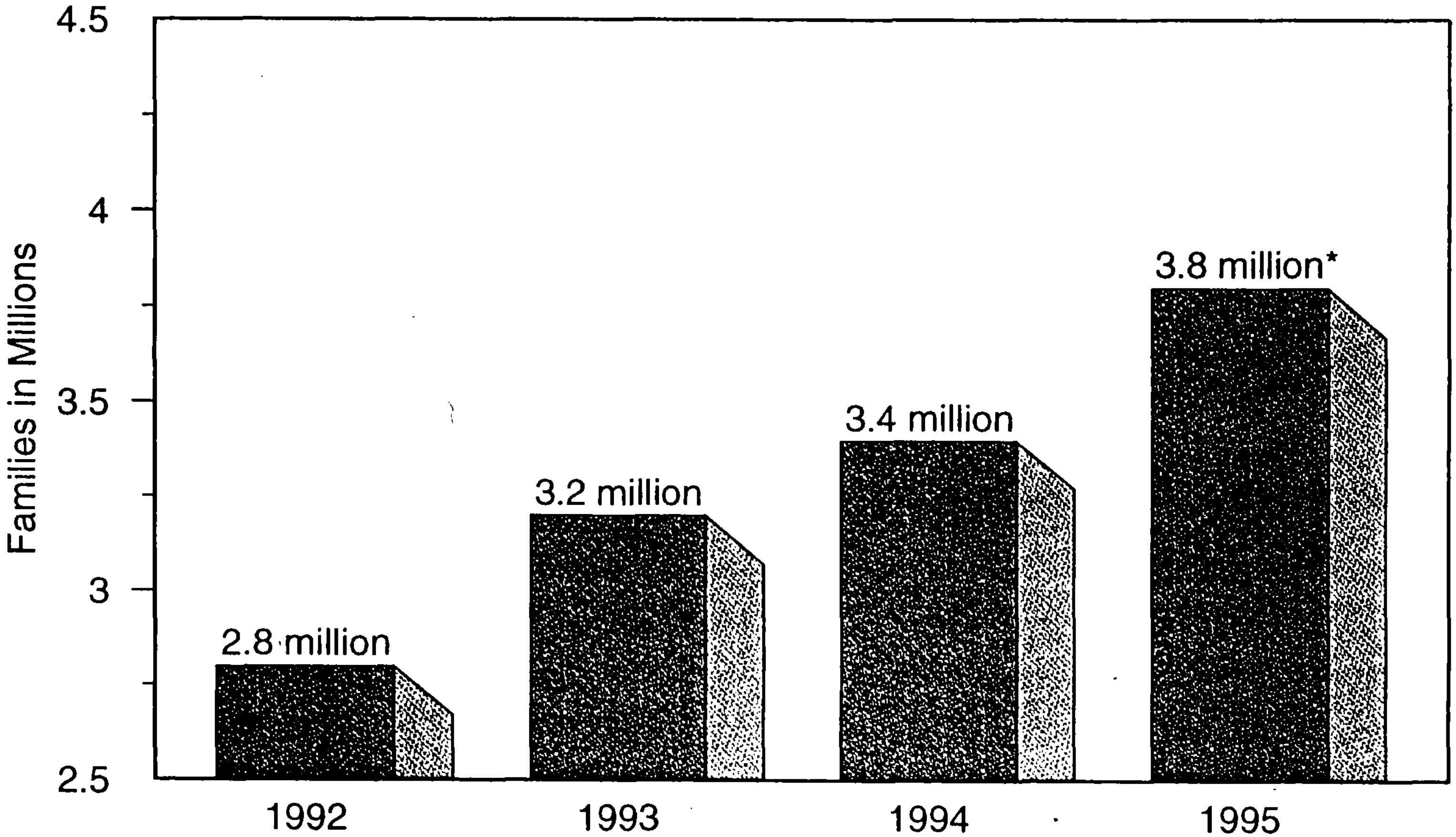
Child Support Collections Have Increased Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services
*Preliminary Estimate

P92 SG416A

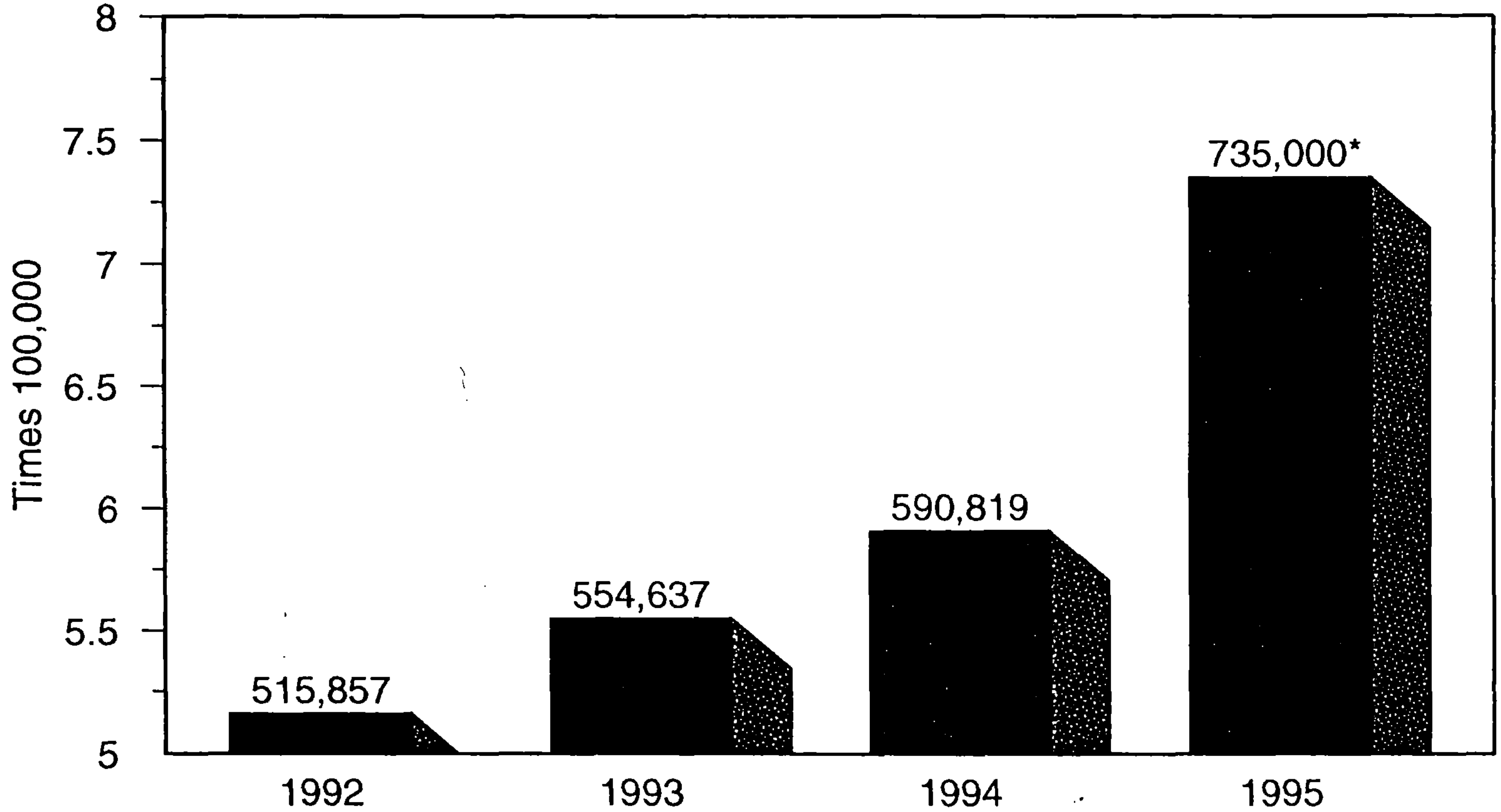
Families Served by Child Support Enforcement Have Increased Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services
*Preliminary Estimate

P92 SG416B

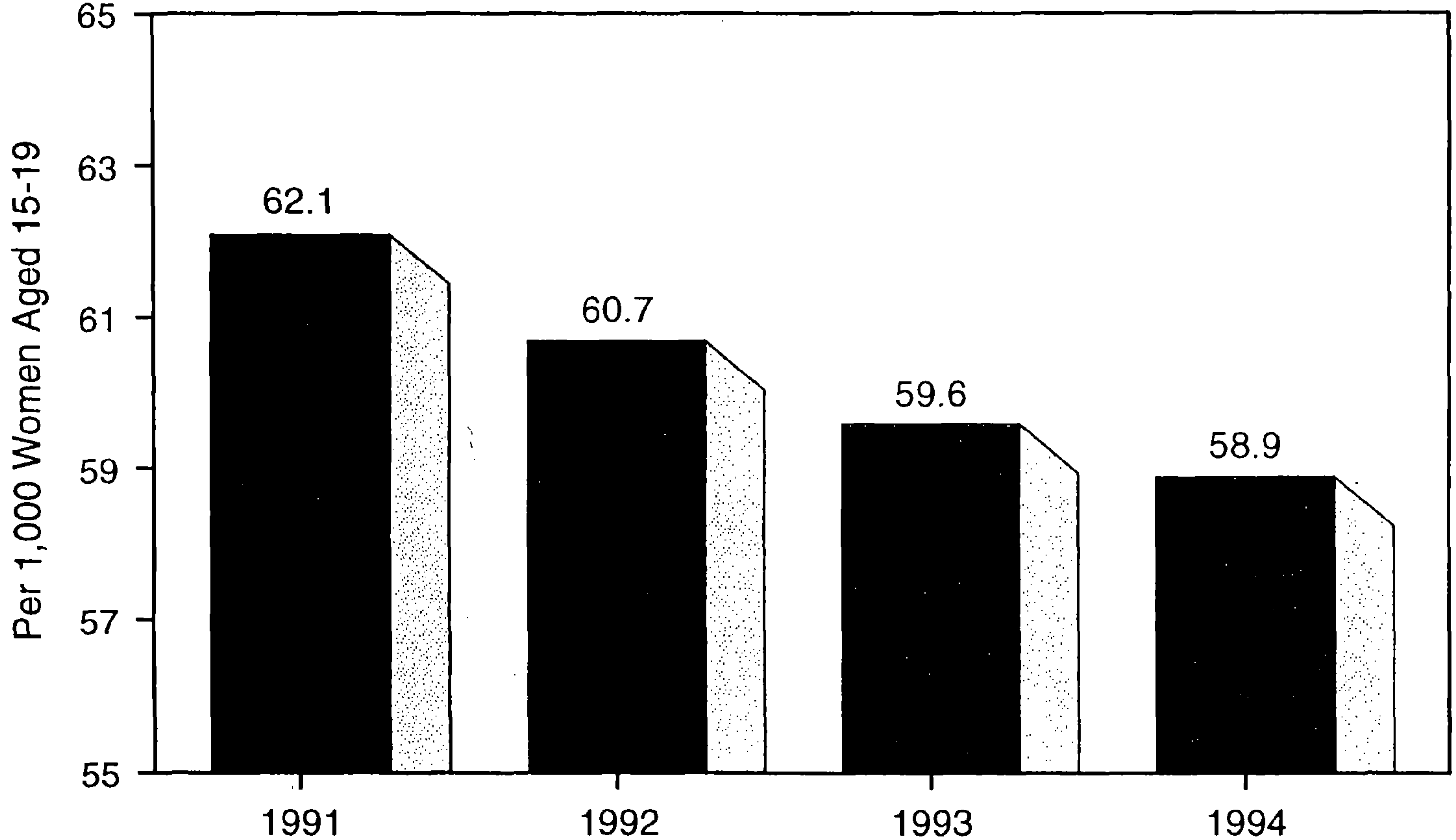
Paternity Establishments Have Increased Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services
*Preliminary Estimate (All Numbers Rounded)

P92 SG416C

Teen Birth Rates Have Declined Under the Clinton Administration*



Source: "Advance Report of Final Natality Statistics, 1994," Monthly Vital Statistics Report, Centers for Disease Control and Prevention, Vol. 44, No. 11(s), June 24, 1996

* Live births per 1,000 women aged 15-19

P92 SG416G

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release August 22, 1996

REMARKS BY THE PRESIDENT
AT THE SIGNING OF THE
PERSONAL RESPONSIBILITY AND
WORK OPPORTUNITY RECONCILIATION ACT

The Rose Garden

11:15 A.M. EDT

THE PRESIDENT: Thank you very much. Thank you very much. Lillie, thank you. Thank you, Mr. Vice President, to the members of the Cabinet. All of the members of Congress who are here, thank you very much.

I'd like to say to Congressman Castle, I'm especially glad to see you here, because eight years ago about this time when you were the Governor of Delaware and Governor Carper was the Congressman from Delaware, you and I were together at a signing like this.

Thank you, Senator Long, for coming here. Thank you, Governors Romer, Carper, Miller and Caperton.

I'd also like to thank Penelope Howard and Janet Ferrel for coming here. They, too, have worked their way from welfare to independence and we're honored to have them here. I'd like to thank all of the people who worked on this bill who have been introduced from our staff and Cabinet, but I'd also like to especially thank Bruce Reed, who did a lot to do with working on the final compromises of this bill; I thank him.

Lillie Harden was up there talking, and I want to tell you how she happens to be here today. Ten years ago, Governor Castle and I were asked to cochair a Governors Task Force on Welfare Reform, and we were asked together on it, and when we met at Hilton Head in South Carolina, we had a little panel. And 41 governors showed up to listen to people who were on welfare from several states.

So I asked Carol Rasco to find me somebody from our state who had been in one of our welfare reform programs and had gone to work. She found Lillie Harden and Lillie showed up at the program. And I was conducting this meeting and I committed a mistake that they always tell lawyers never to do: never ask a question you do not know the answer to. (Laughter.)

But she was doing so well talking about it, as you saw how well-spoken she was today -- and I said, "Lillie, what's the best thing about being off welfare?" And she looked me straight in the eye and said, "When my boy goes to school and they say what does your mama do for a living, he can give an answer." I have never forgotten that. (Applause.) And when I saw the success of all of her children and the success that she's had in the past 10 years, I can tell you, you've had a bigger impact on me than I've had on you. And I thank you for the power of your example, for your family's. And for all of America, thank you very much. (Applause.)

What we are trying to do today is to overcome the flaws of the welfare system for the people who are trapped on it. We all

MORE

know that the typical family on welfare today is very different from the one that welfare was designed to deal with 60 years ago. We all know that there are a lot of good people on welfare who just get off of it in the ordinary course of business, but that a significant number of people are trapped on welfare for a very long time, exiling them from the entire community of work that gives structure to our lives.

Nearly 30 years ago, Robert Kennedy said, "Work is the meaning of what this country is all about. We need it as individuals, we need to sense it in our fellow citizens, and we need it as a society and as a people." He was right then, and it's right now.

From now on, our nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power and the ethic of work. Today, we are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life.

The bill I'm about to sign, as I have said many times, is far from perfect, but it has come a very long way. Congress sent me two previous bills that I strongly believe failed to protect our children and did too little to move people from welfare to work. I vetoed both of them. This bill had broad bipartisan support and is much, much better on both counts.

The new bill restores America's basic bargain of providing opportunity and demanding in return responsibility. It provides $14 billion for child care, $4 billion more than the present law does. It is good because without the assurance of child care it's all but impossible for a mother with young children to go to work. It requires states to maintain their own spending on welfare reform and gives them powerful performance incentives to place more people on welfare in jobs. It gives states the capacity to create jobs by taking money now used for welfare checks and giving it to employers as subsidies as incentives to hire people. This bill will help people to go to work so they can stop drawing a welfare check and start drawing a paycheck.

It's also better for children. It preserves the national safety net of food stamps and school lunches. It drops the deep cuts and the devastating changes in child protection, adoption, and help for disabled children. It preserves the national guarantee of health care for poor children, the disabled, the elderly, and people on welfare -- the most important preservation of all.

It includes the tough child support enforcement measures that, as far as I know, every member of Congress and everybody in the administration and every thinking person in the country has supported for more than two years.

It's the most sweeping crackdown on deadbeat parents in history. We have succeeded in increasing child support collection 40 percent, but over a third of the cases where there's delinquencies, involve who cross state lines. For a lot of women and children, the only reason they're on welfare today -- the only reason -- is that the father up and walked away when he could have made a contribution to the welfare of the children. That is wrong. If every parent paid the child support that he or she owes legally today, we could move 800,000 women and children off welfare immediately.

With this bill we say, if you don't pay the child support you owe we'll garnish your wages, take away your driver's license, track you across state lines; if necessary, make you work off what you pay -- what you owe. It is a good thing and it will help dramatically to reduce welfare, increase independence, and reenforce parental responsibility. (Applause.)

MORE

As the Vice President said, we strongly disagree with a couple of provisions of this bill. We believe that the nutritional cuts are too deep, especially as they affect low-income working people and children. We should not be punishing people who are working for a living already; we should do everything we can to lift them up and keep them at work and help them to support their children. We also believe that the congressional leadership insisted in cuts in programs for legal immigrants that are far too deep.

These cuts, however, have nothing to do with the fundamental purpose of welfare reform. I signed this bill because this is an historic chance -- where Republicans and Democrats got together and said, we're going to take this historic chance to try to recreate the nation's social bargain with the poor. We're going to try to change the parameters of the debate. We're going to make it all new again and see if we can't create a system of incentives which reenforce work and family and independence.

We can change what is wrong. We should not have passed this historic opportunity to do what is right. And so I want to ask all of you, without regard to party, to think through the implications of these other non-welfare issues on the American people and let's work together in good spirits and good faith to remedy what is wrong. We can balance the budget without these cuts, but let's not obscure the fundamental purpose of the welfare provisions of this legislation which are good and solid, and which can give us at least the chance to end the terrible, almost physical isolation of huge numbers of poor people and their children from the rest of mainstream America. We have to do that. (Applause.)

Let me also say that there's something really good about this legislation. When I sign it we all have to start again. And this becomes everybody's responsibility. After I sign my name to this bill, welfare will no longer be a political issue. The two parties cannot attack each other over it. Politicians cannot attack poor people over it. There are no encrusted habits, systems and failures that can be laid at the foot of someone else. We have to begin again. This is not the end of welfare reform, this is the beginning. And we have to all assume responsibility. (Applause.)

Now that we are saying with this bill we expect work, we have to make sure the people have a chance to go to work. If we really value work, everybody in this society -- businesses, non-profits, religious institutions, individuals, those in government -- all have a responsibility to make sure the jobs are there.

These three women have great stories. Almost everybody on welfare would like to have a story like that. And the rest of us now have a responsibility to give them that story. We cannot blame the system for the jobs they don't have anymore. If it doesn't work now, it's everybody's fault -- mine, yours, and everybody else. There is no longer a system in the way. (Applause.)

I've worked hard over the past four years to create jobs and to steer investment into places where there are large numbers of people on welfare because there's been no economic recovery. That's what the empowerment zone program was all about. That's what the community development bank initiative was all about. That's what our urban Brownfield cleanup initiative was all about -- trying to give people the means to make a living in areas that had been left behind.

I think we have to do more here in Washington to do that, and I'll have more to say about that later. But let me say again, we have to build a new work and family system. And this is everybody's responsibility now. The people on welfare are people just like these three people we honor here today and their families.

They are human beings. And we owe it to all of them to give them a chance to come back.

I talked the other day when the Vice President and I went down to Tennessee and we were working with Congressman Tanner's district, we were working on a church that had burned. And there was a pastor there from a church in North Carolina that brought a group of his people in to work. And he started asking me about welfare reform, and I started telling him about it. And I said, "You know what you ought to do? You ought to go tell Governor Hunt that you would hire somebody on welfare to work in your church if he would give you the welfare check as a wage supplement, you'd double their pay and you'd keep them employed for a year or so and see if you couldn't train them and help their families and see if their kids were all right." I said, "Would you do that?" He said, "In a heartbeat."

I think there are people all over America like that. (Applause.) I think there are people all over America like that. That's what I want all of you to be thinking about today -- what are we going to do now? This is not over, this is just beginning. The Congress deserves our thanks for creating a new reality, but we have to fill in the blanks. The governors asked for this responsibility; now they've got to live up to it. There are mayors that have responsibilities, county officials that have responsibilities. Every employer in this country that ever made a disparaging remark about the welfare system needs to think about whether he or she should now hire somebody from welfare and go to work. Go to the state and say, okay, you give me the check, I'll use it as an income supplement, I'll train these people, I'll help them to start their lives and we'll go forward from here.

Every single person needs to be thinking -- every person in America tonight who sees a report of this who has ever said a disparaging word about the welfare system should now say, "Okay, that's gone. What is my responsibility to make it better?" (Applause.)

Two days ago we signed a bill increasing the minimum wage here and making it easier for people in small businesses to get and keep pensions. Yesterday we signed the Kassebaum-Kennedy bill which makes health care more available to up to 25 million Americans, many of them in lower-income jobs where they're more vulnerable.

The bill I'm signing today preserves the increases in the earned income tax credit for working families. It is now clearly better to go to work than to stay on welfare -- clearly better. Because of actions taken by the Congress in this session, it is clearly better. And what we have to do now is to make that work a reality.

I've said this many times, but, you know, most American families find that the greatest challenge of their lives is how to do a good job raising their kids and do a good job at work. Trying to balance work and family is the challenge that most Americans in the workplace face. Thankfully, that's the challenge Lillie Harden's had to face for the last 10 years. That's just what we want for everybody. We want at least the chance to strike the right balance for everybody.

Today, we are ending welfare as we know it. But I hope this day will be remembered not for what it ended, but for what it began -- a new day that offers hope, honors responsibility, rewards work, and changes the terms of the debate so that no one in America ever feels again the need to criticize people who are poor on welfare, but instead feels the responsibility to reach out to men and women and children who are isolated, who need opportunity, and who are willing to assume responsibility, and give them to opportunity and the terms of responsibility. (Applause.)

Now, I'd like to ask Penelope Howard, Janet Ferrel, Lillie Harden, the governors and the members of Congress from both parties who are here to come up and join me as I sign the welfare reform bill.

Q Mr. President, before you sign the bill, can you tell us whether you think it's right to regulate tobacco or nicotine as a drug?

THE PRESIDENT: You know, Wolf, under the law, I have to wait until the OMB makes a recommendation to me. I think we have to anticipate things. I can't say more than that right now.

(The bill is signed.)

Q Mr. President, some of your core constituencies are furious with you for signing this bill. What do you say to them?

THE PRESIDENT: Just what I said up there. We saved medical care. We saved food stamps. We saved child care. We saved the aid to disabled children. We saved the school lunch program. We saved the framework of support. What we did was to tell the state, now you have to create a system to give everyone a chance to go to work who is able-bodied, give everyone a chance to be independent. And we did -- that is the right thing to do.

And now, welfare is no longer a political football to be kicked around. It's a personal responsibility of every American who ever criticized the welfare system to help the poor people now to move from welfare to work. That's what I say.

This is going to be a good thing for the country. We're going to monitor it and we're going to fix whatever is wrong with it.

Q What guarantees are there that these things will be fixed, Mr. President, especially if Republicans remain in control of Congress?

THE PRESIDENT: That's what we have elections for.

END 11:33 A.M. EDT

"...our nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power and the ethic of work. Today, we are taking an historic chance to make welfare what it was meant to be: a second chance, not a way of life." *President William J. Clinton*

STATE GUIDANCE

FOR

THE PERSONAL RESPONSIBILITY

AND

WORK OPPORTUNITY RECONCILIATION ACT OF

1996

Department of Health and Human Services
Administration for Children and Families
370 L'Enfant Promenade, S.W., Washington, D.C. 20447
August 1996

A New Beginning...

The Temporary Assistance for Needy Families (TANF) Program

On August 22, President Clinton signed into law the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," a comprehensive bipartisan welfare reform bill that establishes the Temporary Assistance for Needy Families (TANF) program. This legislation will dramatically change the nation's welfare system into one that requires work in exchange for time-limited assistance. It contains strong work requirements, a performance bonus to reward States for moving welfare recipients into jobs, State maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work.

In signing the bill, President Clinton said, "This is not the end of welfare reform, this is the beginning," and went on to say:

> "Today, we are ending welfare as we know it. But I hope this day will be remembered not for what it ended, but for what it began -- a new day that offers hope, honors responsibility, rewards work, and changes the terms of the debate...."

The new legislation gives States the opportunity to create a new system that promotes work and responsibility, and strengthens families. It challenges us all to remedy what is wrong with the old system, and to provide opportunities that will help needy families under a framework of new expectations.

Starting the Program

The new TANF program replaces the AFDC, JOBS and EA programs. Funding for TANF is provided as a block grant. A State is eligible to receive block grant no earlier than the submittal of its State TANF plan. A State may receive its block grant funds once the Secretary has found the State's plan to be complete. States are required to submit a TANF plan no later than July 1, 1997, but can submit a plan earlier if they choose. There are several factors that should be considered in implementing the TANF program prior to July 1, 1997. In States with reduced caseloads, expenditures under the AFDC, EA and JOBS programs may be less in FY 1997 than the amounts the States would receive under the new block grant. Thus, it may be financially advantageous for some States to opt to accelerate their effective date. Attachment C provides a mechanism for States to request TANF funds for FYs 1997 and beyond.

In addition to the financial implications, States should also weigh other considerations in determining when to implement the new program. For example, once the State submits its plan, the work requirements and the 5-year time limit begin. Also, penalty and data collection requirements begin July 1, 1997 or 6 months after the plan has been submitted, whichever is later. Thus, premature implementation of the program may make it difficult for States to meet the requirements, potentially resulting in a penalty.

Suggested State Plan Outline

The statute requires that you outline how the State intends to conduct a program that provides assistance to needy families with children and provides parents with job preparation, work and support services to enable them to leave the program and become self-sufficient. A State plan will be considered complete as long as it includes the information required by the Act.

We recommend that the State use the State plan process to consider and address a set of important questions, and to outline to the citizens of the State and the Federal government how those questions will be addressed in operation of the State's program. Toward that end, we suggest that a State plan include discussion of the issues outlined below.

A possible format is a 15-20 page document that describes the State's approach and program features. Some States may emphasize some areas more than others depending on the circumstances in the State. States should submit plans every two years. Amendments to keep the plan current may be submitted whenever the State wishes to make changes in the administration or operation of the program.

GOALS, RESULTS AND PUBLIC INVOLVEMENT

What are the overarching goals for your program? How has the public been involved in program design and have they had the opportunity to provide input? How will you know what progress you are making toward reaching your goals? What results will be measured and how will accountability be structured?

NEEDY FAMILIES

Who will be assisted under this program? How will "needy families" be defined? Will all families in the State have access to the same program or will it vary? Will you offer the same services to families who have moved from another State? How will non-citizens be treated within the program? How will the privacy of families be protected? What rights will clients have to appeal?

WORK AND SELF-SUFFICIENCY SUPPORTS

How will the program move families to work and ultimately to self-sufficiency? What services will be available to move clients to work? How will various community, education, business, religious, and non-profit organizations be involved in the effort to provide work for clients? Will the delivery of services vary across the State?

BENEFITS

What benefits will be given to needy families? Will benefits be delivered through cash, in-kind, vouchers, or electronic benefits transfer (EBT)? How will time limits and sanctions be incorporated into the program? What supportive services will be available to clients? How will you structure the provision of child care to allow parents to go to work?

CULTURE CHANGE

What measures will be taken to change the culture of the welfare office to support work and self-sufficiency? Are you planning to retrain eligibility workers?

PARENTAL RESPONSIBILITY

How will parental responsibility be encouraged? How will child support enforcement interact with the TANF program? Are you planning to involve the non-custodial parent in any work programs? What efforts will be made to reduce the incidence of out-of-wedlock births? How will you address the problem of statutory rape?

TRIBES

How will you ensure equitable access for members of Indian tribes who are not eligible for assistance under a Tribal family assistance plan? How will you assist tribe in implementing their program?

ADMINISTRATION

What is the structure of the agency administering the program? What will be the role of public or private contractors in the delivery of services? How will different elements of your program be phased-in? If the implementation date is different from the plan submittal date, when will you implement your program?

WAIVERS

Will your TANF plan basically mirror the welfare reform policies approved under 1115 waivers and the underlying AFDC and JOBS provisions that were not waived? What are the name(s) of the 1115 demonstration(s)? If there are any policy differences between your TANF plan and the approved demonstration(s), what are they? What is the basis for your assessment of inconsistency? What are the beginning and ending dates of the demonstration(s)? Is the demonstration(s) incorporated into your TANF plan applicable statewide? If not, how will TANF operate in those areas of the State not covered by the demonstration(s)?

Description of Attachments

Attachment A is a checklist which provides greater detail about the statutory requirements and provides other useful information for welfare program administrators and policy writers. Attachment B contains suggested formats for the required certifications that must be submitted with a state plan. Attachment C provides detailed information for financial officers of the program regarding funding. Attachment D is a copy of the statutory requirements regarding the state plan.

Paperwork Reduction Act

The information collection in the State TANF plan is collected in accordance with sections 402, 403, 404, 407, 408, 409, 415 and 1115 of the Social Security Act, as amended. Information received in the State plans sets forth how the TANF program will be administered and operated in the States.

The response burden for this collection of information is estimated to be 60 hours per response, including the time for reviewing the statute, these instructions, gathering and preparing the information, and reviewing the information.

The information collected is mandatory in accordance with the above-mentioned citations.

This information is not considered confidential; therefore, no additional safeguards are considered necessary beyond that customarily applied to routine government information.

Inquiries

Inquiries should be addressed to the appropriate Regional Administrator, Administration for Children and Families. Information about all State plans will be posted on the ACF home page.

Attachments: (A) Checklist
(B) Certifications
(C) Funding
(D) Statutory Text

ATTACHMENT A

◆ Checklist for TANF State Plan ◆

CHECKLIST
FOR STATE PLANS FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PROGRAM

This checklist is intended to serve as a planning aid when developing the TANF plan. It includes the statutory requirements, as well as certain optional areas which are necessary in the formulation of a comprehensive self-sufficiency program. The statutory plan requirements are in identified with an arrow (→) for your convenience.

During your planning for the TANF program and the preparation of the plan document, you may find it helpful to consult the following checklist to ensure that your program description is complete and understandable to your constituents.

ADMINISTRATION

I. Strategic Planning

[ ] What benefits and services have been provided in the past and what was the cost in terms of program and administrative expenditures?

[ ] What are your anticipated spending levels in the areas of benefits, job-related services, supportive services, child care, family preservation, prevention activities, and administration?

II. Organizational Structure

→ [ ] Have you certified which State agency or agencies will administer and supervise the program? Do you have an organizational chart and is it included? [Section 402(a)(4)]

[ ] Which program unit(s) will be responsible for responding to issues and questions regarding TANF?

III. Responsibilities for Decisions

[ ] Which agency(ies) will be responsible for the supervision of the program and describe the role of the supervising agency, if the program is county administered?

[ ] What procedures and agreements that have been established to coordinate contracts and agreements between the State agency(ies) and other entities?

IV. Program Uniformity

→ [ ] Have you instituted uniform program policies in all political subdivisions? If no, what and where are the variations? [Section 402(a)(1)(A)(i)]

V. Client Protections

→ [ ] How will case information be safeguarded and to what extent information will be disclosed? [Section 402(a)(1)(A)(iv)]

→ [ ] What is your notice and hearing process and the criteria for appeal? [Section 402(a)(1)(B)(iii)]

→ [ ] Have you certified that you will provide Indians with equitable access to assistance? [Section 402(a)(5)]

[ ] How will you ensure that tribal families will have equal access to TANF assistance?

VI. Program Integrity

→ [ ] Have you certified that you have established and are enforcing standards and procedures to ensure against program fraud and abuse? [Section 402(a)(6)]

[ ] Does your program include methods for preventing, identifying, and referring occurrences of fraud for legal action?

VII. Consultations

→ [ ] Have you certified that: (1) local governments and private sector organizations have been consulted regarding the plan and design of welfare services; and (2) they were allowed at least 45 days to submit comments on the plan and design of such services? [Section 402(a)(4)]

[ ] What process did you use to consult with local governments and private sector organizations regarding the plan and design of welfare services? To what extent did you consider and incorporate their comments?

PROVISIONS OF ASSISTANCE

I. Application and Redetermination

→ [ ] How will needy families access benefits and services? [Section 402(a)(1)(A)(i)]

[ ] What are the time frames for processing the application?

→ [ ] What is the frequency and method of redetermination? [Section 402(a)(1)(B)(iii)]

→ [ ] Will you do an initial assessment of individuals who were receiving benefits on August 22, 1996 by November 20, 1996 or by February 18, 1997? [Sections 402(a)(1)(A) and 408(b)(2)(B)(i)]

→ [ ] For individuals who are determined eligible on or after August 22, 1996, will you conduct assessments by September 21, 1996 or November 20, 1996? [Sections 402(a)(1)(A) and 408(b)(2(B)(ii)]

→ [ ] Will you require Individual Responsibility Plans? If yes, have you standardized the format and included a copy? [Sections 402(a)(1)(A) and 408(b)(2)(A)]

II. Assistance Unit

→ [ ] Do you define minor child as under age 18 or under age 19 and a full time student in a secondary school (or in the equivalent level of vocational or technical training)? [Sections 402(a)(1)(A)(i) and 419(2)]

→ [ ] How do you define the term "caretaker relative"? [Sections 402(a)(1)(A) and 408(a)(1)(A)(i)]

→ [ ] Which individuals living in the home with the minor child must be included in the application as part of the family for the purposes of establishing eligibility and determining the amount of benefits? [Section 402(a)(1)(A)(i)]

→ [ ] For purposes of receiving assistance, how many days may a child be absent from home? What are the good cause exceptions? [Sections 402(a)(1)(B)(iii) and 408(a)(10)]

III. Eligibility, Income and Resources

→ [ ] What are your criteria for covering pregnant women with no other minor children? [Sections 402(a)(1)(A)(i) and 408(a)(1)(A)(ii)]

→ [ ] Do you have legislation that allows benefits to be given to an individual who is convicted of possession, use, or distribution of a controlled substance? [Sections 402(a)(1)(B)(iii) and 115(d)]

[ ] Do you have deprivation factors for determining eligibility?

[ ] Do you have any other conditions of eligibility not specified in the statute?

→ [ ] Will you provide benefits to individuals who are not citizens of the United States as defined in section 431 of the statute? Have you included an overview of such assistance? [Section 402(a)(1)(B)(ii)]

→ [ ] How will you consider earned, unearned and in-kind income in determining eligibility and calculating benefits? [Section 402(a)(1)(B)(iii)]

→ [ ] What are the disregards that will apply to earned and unearned (including in-kind) income? [Section 402(a)(1)(B)(iii)]

→ [ ] What are the deeming of income and resource rules? [Section 402(a)(1)(B)(iii)]

→ [ ] How will you count and/or disregard resources? [Section 402(a)(1)(B)(iii)]

IV. <u>Benefit Levels</u>

→ [ ] What are the benefit standard(s)? [Section 402(a)(1)(B)(iii)]

→ [ ] How will you treat families moving into the State from another State? [Section 402(a)(1)(B)(i)]

→ [ ] How often will you issue benefits in a month? [Section 402(a)(1)(B)(iii)]

→ [ ] Will benefits be issued as direct cash assistance, vouchers, services, wages, certificates, or other? Will an electronic benefits transfer system be utilized? [Sections 402(a)(1)(B)(iii)], 404(g), and 104(a)(1)(B)]

[ ] What are the methods and processes for recovering overpayments (e.g. use of IRS tax intercept) and correcting underpayments to beneficiaries of the program?

IV. <u>Time Limits</u>

→ [ ]. Will you impose any time limits for benefits of less than 60 months? [Sections 402(a)(1)(A)(i) and 408(a)(7)]

→ [ ] What are your exemption criteria for the reasons relative to hardship or because an individual has been battered or subjected to extreme cruelty? Section [Sections 402(a)(1)(A) and 408(a)(7)(C)]

[ ] What benefits and services, if any, will be provided to non-exempt families that reach the time limit?

EMPLOYMENT SERVICES

I. Goals and Strategies

[ ] What are your overall goals for work and self-sufficiency and your strategy for ensuring that the program will promote work and enable families to become self-sufficient?

[ ] What models or other effective programs or practices did you use in developing your goals and strategy for promoting work and self-sufficiency?

[ ] Have you established State numerical goals for participation in work activities and for placements?

II. Work Activities

→ Which of the following work activities does the State include in its definition of work? [Sections 402(a)(1)(A)(ii) and (iii) and 407(d)]

[ ] unsubsidized employment;
[ ] subsidized private sector employment;
[ ] subsidized public sector employment;
[ ] work experience;
[ ] on-the-job training
[ ] job search and job readiness assistance;
[ ] community service programs;
[ ] vocational education training;
[ ] job skills training directly related to employment;
[ ] education directly related to employment;
[ ] satisfactory attendance at secondary school or equivalent;
[ ] provision of child care services to an individual who is participating in a community service program.

III. Work and Participation Requirements

→ [ ] Have you defined criteria for determining whether a parent or caretaker relative is ready to engage in work before 24 months? [Section 402(a)(1)(A)(ii)]

→ [ ] Will you require community service employment for parents or caretaker relatives who are not exempt and not engaged in work and who have receiving assistance for 2 months? If not, have you notified the Secretary? [Section 402(a)(1)(B)(iv)]

→ [ ] How have you defined "satisfactory attendance" for teen heads of households who attend secondary school or education directly related to employment? [Sections 402(a)(1)(A)(iii) and 407(c)(2)(C)]

→ [ ] Do you have an exemption for single custodial parents who care for children under 12 months of age? [Sections 402(a)(1)(A)(iii) and 407(b)(5)]

→ [ ] Have you established criteria relative to a single custodial parent's "demonstrated inability" to obtain needed child care? [Sections 402(a)(1)(A)(iii) and 407(e)(2)]

IV. Employment Placement Program

→ [ ] Will you use the grant to operate an employment placement program? Will this program make payments (or provide vouchers) to public and private job placement agencies to provide employment placement services? [Section 402(a)(1)(A)(i) and 404(f)]

V. Penalties on Individuals

→ [ ] What are your criteria and calculation methodology for imposing penalties on individuals who refuse to engage in work or who fail to comply with the Individual Responsibility Plan? [Sections 402(a)(1)(A)(iii), 407(e)(1), 408(b)(2)(A) and 408(b)(3)]

→ [ ] What are your good cause and other exceptions from the work requirements? [Sections 402(a)(1)(A)(iii), 407(e)(1) and 408(b)(3)]

→ [ ] Will you impose a sanction on a family that includes an adult if such adult fails to ensure that the minor dependent children attend school? If yes, what are your criteria and methodology for imposing a sanction on the family? [Sections 402(a)(1)(A)(i) and 404(i)]

→ [ ] Will you impose a sanction on a family that includes an adult who is older than 20 and younger than 51, if the adult does not have and is not working toward a high school diploma or equivalency diploma unless exempt? [Sections 402(a)(1)(A)(i) and 404(j)]

VI. Grievance Procedures

→ [ ] What is your grievance procedure for resolving complaints by regular employees regarding alleged violations of the requirement regarding filling vacancies? [Sections 402(a)(1)(B)(iii) and 407(f)(3)]

VII. Special Populations

→ [ ] Will you require noncustodial, non-supporting minor parents to fulfill community work obligations and attend appropriate parenting or money management classes after school under the TANF program? [Sections 402(a)(1)(A)(i) and 407(h)]

[ ] Are there any other populations receiving special treatment under the program?

VIII. Supportive Services

[ ] Which supportive services do you intend to provide individuals before and after they become independent of TANF due to work? Will you impose any limits on the length, amount, or type of supportive services?

IX. Incentives

[ ] What bonuses or stipends do you intend to offer to individuals engaging in work activities?

[ ] What criteria will you use for awarding the bonuses or stipends?

→ [ ] Will you allow beneficiaries to establish individual development accounts (IDAs)? [Sections 402(a)(1)(B)(iii) and 404(h)(2)(A)]

→ [ ] Which "qualified purposes" for IDAs will you permit? [Sections 402(a)(1)(B)(iii) and 404(h)(2)(B)]

WAIVERS

I. Continuation of Waivers

→ [ ] Does your TANF plan basically mirror the welfare reform policies approved for the State under one or more 1115 waiver demonstrations, and the underlying AFDC and JOBS provisions that were not waived? Which demonstration(s)? What are the name(s) of the demo(s). [Sections 402(a)(1)(A)(i) and 415(a)(1)(A)]

→ [ ] Are there any policy differences between your TANF plan and the approved demonstration or demonstrations? [Sections 402(a)(1)(A)(i) and 415(a)(1)(A)]

→ [ ] What are the beginning and ending dates of the demonstration? Is the demonstration(s) incorporated into your TANF plan applicable statewide? If not, how will TANF operate in those areas of the State not covered by the demonstration(s)? [Sections 402(a)(1)(A)(i) and 415(a)(1)(A)]

II. Inconsistent Waiver Provisions

→ [ ] Are there any provisions of TANF that the State considers to be inconsistent with the approved waiver demonstration(s) incorporated into this plan? What is the basis for your assessment of inconsistency? (You may wish to consult with the chief law officer of your State in making this assessment.) [Sections 402(a)(1)(A)(i) and 415(a)(1)(A)]

Note: If any inconsistent provisions have been identified, then the State is assumed to be operating a welfare reform demonstration for the period of the demonstration in lieu of a program under the block grant. If this is the case, then cost neutrality and evaluation requirements apply.

Limitations on which provisions of the TANF may be considered inconsistent with waivers for purposes of determining penalties may be established through future legislative or regulatory action. If this happens, States will have a period of no more than one year to submit a new plan coming into compliance with the requirements.

STRENGTHENING FAMILIES

→ [ ] Have you certified that the State will operate a child support enforcement program? [Section 402(a)(2)]

→ [ ] Have you certified that the State will operate a foster care and adoption assistance program? [Section 402(a)(3)]

→ [ ] What goals, programs, and initiatives have you developed to prevent or reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies? What collaborative activities do you have with State and local law enforcement officials, the education system, and relevant counseling services? [Sections 402(a)(1)(A)(v) and (vi)].

→ [ ] How will you conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape? How will your teenage pregnancy prevention programs be expanded in scope to include men? [Section 402(a)(1)(A)(vi)]

→ [ ] Have you exercised the option to certify that the State will establish standards and procedures to ensure that it will screen for and identify domestic violence? [Section 402(a)(7)]

[ ] If you exercised the option above, how will you screen and identify individuals with a history of domestic violence, and refer them to counseling and supportive services? Which TANF program requirements will be waived pursuant to a good cause determination? What constitutes good cause?

[ ] What programs do you have that encourage non-custodial parents to participate in the rearing of their children?

[ ] What family preservation services will be available to TANF families? Will TANF funds be used to cover such services?

ATTACHMENT B

♦ State Plan Certifications ♦

This has been designed to enable the Chief Executive Officer of a State to certify that the State will operate its Temporary Assistance to Needy Families (TANF) program in accordance with the statutory requirements in section 402(a)(2) through (7).

CERTIFICATIONS

The State will operate a program to provide Temporary Assistance to Needy Families (TANF) so that the children may be cared for in their own homes or in the homes of relatives; to end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and encourage the formation and maintenance of two-parent families.

This program is known as ______________________________

Executive Officer of the State (Name)______________________________

In administering and operating a program which provides Temporary Assistance for Needy Families with minor children under title IV-A of the Social Security Act, the State will:

1. Specify which State agency or agencies will administer and supervise the program under part A in all political subdivisions of the State:

   ____________________ is (are) the agency(ies) responsible for administering the program;

   ____________________ is (are) the agency(ies) responsible for supervising the program;

2. Assure that local governments and private sector organizations:

   (a) Have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

   (b) Have had at least 45 days to submit comments on the plan and the design of such services.

3. Operate a Child Support Enforcement program under the State plan approved under part D;

4. Operate a Foster Care and Adoption Assistance program in accordance with part E, and certify that the State will take all necessary actions to ensure that children receiving assistance are eligible for medical assistance;

5. Provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a Tribal Family Assistance plan approved under Section 412, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

6. Establish and enforce standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

7. Make available to the public a summary of the State plan; and

OPTIONAL CERTIFICATION

[ ] The State has established and is enforcing standards and procedures to:

(1) Screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

(2) Refer such individuals to counseling and supportive services; and

(3) Waive, pursuant to a determination of good cause, other program requirements such as time limits (for as long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in case where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

CERTIFIED BY THE CHIEF EXECUTIVE OFFICER OF THE STATE:

_______________ ________________________________

Date Signature and Title

ATTACHMENT C

♦ Funding ♦

FUNDING

Section 403(a)(1)(A) provides that each eligible State shall be entitled to receive for each of the fiscal years 1996 through 20002, a grant in an amount equal to the State family assistance grant as defined in section 403(a)(1)(B).

I. Payments to Agency Administering the TANF Program

- Payments for the TANF program will be made to the organization managing the AFDC/JOBS programs as of August 22, 1996, unless the State indicates that the TANF administering agency is changed. If a change is made, describe the name, address and EIN number of the new organization.

II. State Payments for TANF Program

- Section 405 requires that grants be paid to States in quarterly installments, based on State estimates. The State's estimate for each quarter of the fiscal year by <u>percentage</u> is:

For FY 1998 and Future Years-

1st quarter	2nd quarter	3rd quarter	4th quarter
______	______	______	______

- For FY 1997, States should note that the amount available for the TANF program is prorated, based on the number of days in the fiscal year that the State operates the TANF program. States should assume that this period begins with the date their State plans are received by ACF unless, at its option, a State informs ACF of a later effective date. Below, States should indicate the percentage requested for only those quarters in which they plan to operate the program. Your quarterly percentage estimates should total 100%.

For FY 1997

1st quarter	2nd quarter	3rd quarter	4th quarter
______	______	______	______

III. Changes and Inquiries

- If a State determines that these estimates require changes, a letter indicating the change in percentages should be sent to your ACF Regional Office and to ACF's Central Office. The Central Office address is:

  The Administration for Children and Families
  The Office of Program Support
  The Division of Formula, Entitlement and Block Grants
  6th Floor, Aerospace Building
  370 L'Enfant Promenade
  Washington, D.C. 20447

ATTACHMENT D

♦ Statutory Text Relating to State Plans ♦

STATUTORY TEXT

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) was signed by the President August 22. The following is the statutory language relative to the State TANF plan.

SECTION 402 -- STATE PLAN REQUIREMENTS

(a)(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.-

(A) General Provisions.-A written document that outlines how the State intends to:

(i) Conduct a program, designed to serve all political subdivisions in the State (not necessarily in a uniform manner), that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

(ii) Require a parent or caretaker receiving assistance under the program to engage in work once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months, whichever is earlier.

(iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

(iv) Take steps to restrict the use and disclosure of information about individuals and families receiving assistance.

(v) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State for calendar years 1996 through 2005.

(vi) Conduct a program that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

(B) Special Provisions.-

(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

(ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

(iii) The document shall set forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including an explanation of how the State will provide opportunities for recipients who have been adversely affected to be heard in a State administrative or appeal process.

(iv) Not later than 1 year after the date of enactment of this Act, unless the chief executive officer of the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for 2 months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.

(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.-A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

(3) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.-A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E, and that the State will take such actions as are necessary to ensure that children receiving assistance under such part are eligible for medical assistance under the State plan under title XIX.

(4) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.-A certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations-

(A) have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

(B) have had at least 45 days to submit comments on the plan and the design of such services.

(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.-A certification by the chief executive officer of

the State that, during the fiscal year, the State will provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a tribal family assistance plan approved under section 412, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

(6) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE AGAINST PROGRAM FRAUD AND ABUSE.-A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

(7) OPTIONAL CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.-

(A) In General.-At the option of the State, a certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to-

(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

(ii) refer such individuals to counseling and supportive services; and

(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

(b) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.-The State shall make available to the public a summary of any plan submitted by the State under this section.