

Pulled from Issue brief

TEEN PREGNANCY

"Ultimately, what is needed to stop teen pregnancy is a revolution of the heart. We must all work to instill in every young man and woman a sense of personal responsibility. Having a child is the greatest responsibility any person can assume. It is not the right choice for a teen to make."

President Bill Clinton

January 29, 1996

Each year, almost 1 million American teenagers become pregnant -- approximately 11% of all women ages 15-19. To address this serious problem, the Clinton Administration has pursued policies which recognize the fundamental obligation of all Americans to exercise personal responsibility, while expanding opportunities for at-risk young people to make positive life choices. President Clinton has stated clearly that government alone cannot solve the complex problem of teen pregnancy. The President has also called upon leaders in the private sector to join together to take action in their own communities.

A RECORD OF ACCOMPLISHMENT:

Private-Sector Initiative: President Clinton has challenged leaders across the nation to come together to address the serious problem of teen pregnancy. In response, an independent, bipartisan organization has been formed. The new National Campaign to Prevent Teen Pregnancy has been established as a private, not-for-profit entity under the direction of Thomas Kean, former Governor of New Jersey and now President of Drew University, and Dr. Isabel Sawhill of the Urban Institute. The Campaign's board of directors includes prominent individuals from the business, media, entertainment, medical and philanthropic communities.

- **Promoting Personal Responsibility:** President Clinton has advocated welfare reform proposals that promote work, demand parental responsibility and toughen child support requirements:

- The Administration has approved state welfare reform waivers to a record 38 states that include various provisions affecting minor parents. These waivers are allowing states to bypass existing welfare rules and set time limits on benefits, require recipients to work or stay in school, provide child care and give employers incentives to hire welfare recipients.
- The Administration has pursued aggressive enforcement of child support laws. In 1995, a record \$11 billion was collected in child support from non-custodial parents, an increase of 40% since 1992. Over that same period, paternity establishments rose by over 40%.
- The Administration took executive action in May 1996 to require teenage mothers to stay in school and sign personal responsibility contracts or lose their welfare benefits.

- **Comprehensive Approach to Youth:** The Administration has worked to address the complex economic and social factors which often underlie high rates of teen pregnancy and to support communities in offering young people positive alternatives to early sexual behavior and parenting:

- Under the Clinton Administration, the Department of Education has launched a number of initiatives that address teen pregnancy prevention through improved schooling for disadvantaged students, coordination of health and social services and school-to-work opportunities to increase economic self-sufficiency. Specific initiatives include: Goals 2000; School-To-Work Opportunities Act; and expansion of the Head Start program.
- In 1995, the Department of Justice created the SafeFutures Program, a five-year initiative which will provide approximately \$8 million per year to six jurisdictions for comprehensive and coordinated delinquency prevention and intervention programs for at-risk and delinquent youth.
- The Administration is implementing the Safe and Drug-Free Schools Act, passed in 1994, by supporting local school districts in high-need areas in their efforts to coordinate violence and drug prevention programs with comprehensive school health education programs.

- **Appointed Senior Advisor on Teen Pregnancy Prevention:** In January 1996, President Clinton appointed Dr. Henry Foster (Professor of Obstetrics and Gynecology at Meharry Medical College and founder of the "I Have A Future" teen pregnancy prevention program in Nashville) to serve as Senior Advisor to the President on teen pregnancy and related youth issues. Dr. Foster works with community-based organizations across the country to give young people the tools they need to build responsible and productive lives.

THE CHALLENGES AHEAD:

President Clinton will continue to direct and encourage government policies that promote responsible behavior on the part of America's teens and to increase positive opportunities for young people. In his FY 97 budget, the President proposed a \$30 million teen pregnancy-prevention initiative. These funds will be used to evaluate and implement promising prevention strategies in communities that have demonstrated a commitment to community problem solving.

The President will also continue to urge leaders from all sectors of society to marshal their resources on behalf of America's youth.

May 1996

W. B. is the
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Interagency
Report

with
press
HLS
1/29/96

Budget
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HHS
document

To: Whom It May Concern
From: Lyn Hogan, Domestic Policy Council
202-456-5567
Re: Citations For Teen Pregnancy Brief

Teen Pregnancy Brief

- . Each year, almost 1 million American teenagers become pregnant--approximately 10% (not 11%) of all women ages 15-19, see **Kids Having Kids, A Robin Hood Foundation Report**, by Rebecca A. Maynard, editor, 1996, p.1, attached.
- . Private sector initiative, National Campaign to Prevent Teen Pregnancy, see attached **White House press release**, January 29, 1996 announcing the commission, also see attached February 22, 1996 list of Board Members for National Campaign.
- . Authorized 41 states (not 40) to bypass existing welfare rules, and, in an average month, these welfare demonstrations will cover more than 10 million people, representing approximately 75% of all AFDC recipients, see attached memo and set of welfare waivers from, Dept. of Health and Human Services. Strengthened child support laws resulting in record \$11 billion collected in 1995; change to, up from \$8 billion in 1992; over same period, paternity establishment rose from (change to) about 500,000 in 1992 to 735,000 in 1995, see attached **Child Support Enforcement draft for Twentieth Annual Report to Congress, U.S. Department of Health and Services, Administration For Children and Families, Office of Child Support**, pp. 37-38, from Dan Williams, HHS.
- . Implemented new child support project to track down non-paying parents over state lines, etc., see attached **Presidential Memorandum**, June 18, 1996, from the **Federal Register**; President signed Executive Order to help track down federal workers who pay child support, see attached **Executive Order 12953 of February 27, 1995**, requiring all Executive Agencies to facilitate payment of child support.
- . In May 1996, the President took executive action to require teenage mothers to stay home and stay in school, and sign personal responsibility contracts, see attached **May 1996 Presidential radio address**.
- . Comprehensive Approach to Youth, Dept. of Education initiatives that will affect teen pregnancy, see Education brief; 1995 Department of Justice Safe Futures Program; Safe and Drug-Free Schools Act, passed in 1994, waiting for information from DOJ.

- . Appointed Dr. Henry Foster Senior Advisor on Teen Pregnancy Prevention in January 1996, see White House press release, attached.

Note: The following bullet is not covered in the teen pregnancy brief, however, it is mentioned in other briefs. Therefore, I am including the following information and documentation for drops in teen pregnancy and teen birth rates.

- . Teen pregnancy rates are down: **reality** is Teen birth rates are down and teen pregnancy declined in a majority of states. It is important to be careful with this data. Pregnancy rates are only available through 1993 and are on state-by-state basis without all 50 states reporting. Teen birth rates, however, have declined three years in a row by a total of 5%. Please see attached HHS press release, June 24, 1996, HHS press release September 21, 1995 and internal statement from HHS/Melissa Skofield, June 16, 1996.

The Challenges Ahead

- . In his FY 97 budget, the President proposed a \$30 million teen pregnancy prevention initiative (note, this program was not funded in the still pending Labor, HHS Appropriations bill), see the attached Fiscal Year 1997 Budget under teen pregnancy prevention.

\$1 billion has been made available, primarily for heating and crisis assistance.

Child Welfare/Child Abuse

In FY 1997, ACF is requesting \$419 million in discretionary funding for these programs; \$50.6 million will be used to fund Community-Based Resource Centers which support statewide networks of local child abuse and neglect prevention and family resource programs. In FY 1997, ACF will also consolidate research and training programs into the Child Welfare Innovative Program, totaling \$39.1 million, to allow greater flexibility in funding promising initiatives and to disseminate knowledge on what works best across the spectrum of child welfare services.

In 1993, States received reports on nearly three million children who were alleged victims of child abuse and neglect. An estimated 1,000 of these children die each year as a result of their injuries. As demands on the child welfare system to protect abused and neglected children increase, ACF has dedicated funding to promote children's healthy development by preventing and treating the effects of child abuse and neglect.

Publicly funded Child Welfare Services are designed to encourage parental responsibility and help families stay together. If family preservation is not possible, children receive temporary or permanent placements in caring homes through foster care or adoption programs.

Teen Pregnancy Prevention

Teen pregnancy rates remain alarmingly high in the U.S. President Clinton, recognizing the impact of this tragedy, has referred to teen pregnancy as one of our most serious social problems. In an effort to help local communities further develop effective prevention strategies, HHS will launch a \$30 million collaborative Teen Pregnancy Prevention Initiative in FY 1997. Demonstration grants to combat teen pregnancy will be made available to selected cities with disturbingly high teen pregnancy rates. Funds will be targeted to communities who have demonstrated a commitment to community problem solving and developed an appropriate infrastructure for implementing proposed strategies. Grant funds will be available to initiate, expand, or enhance comprehensive prevention strategies which utilize social, economic, and educational approaches to reaching at-risk teens. Drawing upon strong community and family support for this initiative together we can help to ensure safe passages for our Nation's adolescents.

Refugee Resettlement

The FY 1997 budget request for the Refugee and Entrant Assistance program is \$381.5 million, based on a projected refugee ceiling of 75,000 and an additional 15,000 Cuban entrant arrivals. In order to be designated as refugees, people must have a well-founded fear of persecution in their country of origin because of race, religion,

**U.S. DEPARTMENT OF
HEALTH AND HUMAN SERVICES**

Washington, D.C.



THE FISCAL YEAR 1997 BUDGET

THIRD DRAFT

March 4, 1996

The attached document is based on the President's Budget scheduled for delivery to the Congress on March 18, 1996, and is strictly embargoed until 1:00 p.m. that day.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 29, 1996

**PRESIDENT CLINTON ANNOUNCES APPOINTMENT OF
DR. HENRY FOSTER AS SENIOR ADVISOR ON TEEN PREGNANCY**

The President today announced the appointment of Dr. Henry Foster as Senior Advisor to the President on Teen Pregnancy and Youth Issues. Dr. Foster will also be serving as an Expert Advisor to the Director of the Centers for Disease Control and Prevention and to the Secretary of Health and Human Services.

The announcement follows the President's State of the Union address in which he challenged Americans to strengthen families and do everything possible to reduce the rate of teenage pregnancy. While pregnancy rates are beginning to come down among teenagers, one million teenage girls still become pregnant every year.

In the State of the Union, the President announced that a group of prominent Americans will launch a National Campaign to Reduce Teenage Pregnancy, designed to support grass roots community efforts in this area. A dozen people have already agreed to be a part of this effort, including C. Everett Koop, David Hamburg of the Carnegie Corporation, Urban League President Hugh Price, Whoopi Goldberg, former Senator Warren Rudman, former Governor Tom Kean, Ogilvy and Mather CEO Charlotte Beers, and MTV President Judy McGrath.

Today, the President will meet with people working at the state and local level to reduce teen pregnancy and ask Dr. Foster to serve as his liaison to the National Campaign. Dr. Foster will also be working to bring national attention to the issue, to galvanize activity at the local level and will be advising the Administration on policies related to teen pregnancy. He will be meeting with leaders in business, media and other fields to mobilize and intensify their interest and efforts in this area.

"I am pleased that Dr. Foster has agreed to work with us in our efforts to reduce teen pregnancy and promote hope and opportunity for our youth," the President said. "Teen pregnancy is one of our most pressing social problems. All of us must work together to send a clear message to our young people that staying in school, postponing sexual activity, and preparing to work are the right things to do."

Dr. Foster is presently a Professor of Obstetrics and Gynecology at Meharry Medical College in Nashville, Tennessee. He has in the past been the Dean of the School of Medicine at Meharry and Chairman of the Department of Obstetrics and Gynecology. The appointment of Dr. Foster is effective immediately.

PRESIDENT WILLIAM JEFFERSON CLINTON
STATEMENT ON TEEN PREGNANCY
ROOSEVELT ROOM
JANUARY 29, 1996

[Acknowledgements: Secretary Shalala; Senators Pell, Murray and Chafee; Representatives Clement, Schroeder, Stokes, Clayton and Watt]

I'm pleased to report to all of you today about the progress being made toward launching a national effort to address the issue of teen pregnancy.

As I said in my State of the Union, we are living in an age of enormous possibility. More Americans, from all walks of life, will have more chances to build the future of their dreams than ever before. Of course, any time of great change brings its share of great challenges as well.

The first challenge I issued last Tuesday night was to cherish our children and strengthen America's families. And it was no accident that this was the first challenge I mentioned. Family is the foundation of American life. And if we have stronger families, we will have a stronger America.

Teen pregnancy is a moral problem that can quickly become an economic problem. The epidemic rates of teen pregnancy in our country mean that too many children are born into poverty and never escape it. And teen parents can't escape it either because too often they don't have the education and child care they need to participate in the work force. When children have children, it can create a destructive cycle that tears at our very notions of family and community.

That is why we must do all we can to make sure that every child who comes into this world has two loving parents who are ready to support and care for their child. Although the teen pregnancy rate is down, over one million young women become pregnant every year. And 80% of the babies born to unwed teen mothers who dropped out of high school will live in poverty.

We must all work together to solve this problem. Last year, in my State of the Union address, I called on Americans across the country to join together in a national campaign against teen pregnancy. Since then, members of my administration have been meeting with citizens from all sectors of our society to determine how a new national organization might support and expand upon existing community-based efforts.

That's why today, I'm pleased to announce that a group of prominent Americans has responded and will launch a full-scale National Campaign to Reduce Teenage Pregnancy. A dozen people are ready to begin this effort, including leaders in the field of helping our young people, such as C. Everett Koop and David

Hamburg of the Carnegie Corporation. Others who have agreed to play a role include Drew University president Tom Kean; former senator Warren Rudman; Ogilvy and Mather chair Charlotte Beers; entertainer Whoopi Goldberg; Atlanta Olympic co-chair Andrew Young; and MTV President Judy McGrath. I'd also like to especially thank Dr. Isabel Sawhill, of the Urban Institute, for her work in spearheading this effort.

This is a serious, bi-partisan effort to address a difficult problem in a substantive manner. Many of them will be meeting tomorrow in New York, and in the next month, this group will be up and running. And when the National Campaign to Reduce Teenage Pregnancy holds its first board meeting, I'd like to invite them to the White House to discuss how we further their commitment to this important work.

Government must do its part in this effort. That's why today I'm pleased to announce that Dr. Henry Foster has agreed to serve as my senior advisor on this issue, and will be my liaison to the National Campaign. In his career as a physician and through his "I Have A Future" program in Nashville, Dr. Foster has dedicated his energies to the complex problem of teen pregnancy. In his new role, he will work in partnership with community-based organizations across our country to give our young people the tools they need to build responsible and productive lives.

Ultimately, what is needed to stop teen pregnancy is a revolution of the heart. We must all work to instill in every young man and woman a sense of personal responsibility. Having a child is the greatest responsibility any person can assume. It is not the right choice for a teen to make.

This message to our children must be constantly reinforced. One of the best ways to do this is through community organizations, like the ones I just met with. These groups, whether they are social clubs, mentoring programs or school-based classes, bear the primary responsibility of carrying this message to teenagers.

And each of us as has a role to play. I'd like to thank Colin Sears, who is here with me today, for demonstrating what an enormous contribution one person can make. Colin has worked at Baltimore's Young People's Health Connection since he was in middle school, teaching other young people to make the right decisions and take responsibility for their lives.

All of us must say to every teen: Do not become pregnant or father a baby before you are married, have finished with school and are ready to support your child.

This is the way we need to meet our challenges -- by working

together -- on national and local levels, in families and in communities, and in the public and the private sectors.

The era of big government is over, but we can't go back to the era where we simply tell people to fend for themselves. We have to move forward to the era of all Americans working to meet our challenges together.

I'd like to thank all of you for being here today. If we all work together to solve the problem of teen pregnancy, we will make a difference.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 4, 1996

RADIO ADDRESS BY THE PRESIDENT
TO THE NATION

The Map Room

10:06 A.M. EDT

THE PRESIDENT: Good morning. This week was another good week for America. We learned that growth is up and unemployment is down. That's good for American jobs and good for America's families. We also had more good news on America's families today involving the Family and Medical Leave Act, which I was proud to sign in 1993. This week the bipartisan panel Congress created to study it reported that the law has helped more than one in six American employees take time off because of a serious family health problem, without any danger of losing their jobs. And almost 90 percent of the businesses found that complying with Family and Medical Leave cost them little or nothing. This is making America's families stronger, promoting work and family.

That's what we have to do with welfare reform, too. Our job is to fix a welfare system that too often pulls families apart and turns it into one that helps families pull together, to fix a system that traps too many people in a cycle of dependency that ends up snaring their children as well, and, instead, to create one that promotes jobs and independence.

For the last three years, we have been working hard to turn the welfare system around. All across America, the welfare rolls are down, food stamp rolls are down, teen pregnancy rates are down, compared to four years ago. And compared to four years ago, more and more people on welfare today are working as a condition of receiving welfare.

A lot of this has happened because our administration has

worked very hard to free states from federal rules and regulations which have built up over the years and which contribute to the flaws in the present system. We have slashed this red tape to 37 states, covering 75 percent of all the people on welfare in America, so that they can take steps to fix the broken system.

State by state, we are building a welfare system that demands work, requires responsibility, and protects our children.

But more needs to be done. The American people need a welfare system that honors American values: work, family, and personal responsibility. In 1994, and again this year, I sent Congress a sweeping welfare reform plan that would impose strict time limits on how long people can stay on welfare and strict work requirements for people when they are on welfare. My plan would also provide more funding for child care, so single parents can go to work. And it would crack down on parents who skip out on their responsibility to pay child support.

If Congress sends me a welfare reform bill that is tough on work instead of tough on children and weak on work, I will gladly and proudly sign it. Meanwhile, I am going to keep moving ahead to fix the welfare system by promoting work and looking out for our children.

Today, I'm acting to help teen mothers break free from the cycle of dependency for good. The only way for teen mothers to escape the welfare trap is to live at home, stay in school, and get the education they need to get a good job. We must make sure the welfare system demands that teen mothers follow the responsible path to independence.

Ohio has used freedom from federal rules to implement a terrific program they call LEAP -- Learning, Education, and Parenting. LEAP cuts welfare checks when teen mothers don't go to school, and rewards them when they do. And it works. A report released just this week by the Manpower Demonstration Research Corporation shows that for an important group of teens LEAP significantly increased the number of teen mothers who finished school, got jobs, and got off welfare. Every state should follow this example.

That's why, today, I'm announcing that every state must put in place a plan to keep teen mothers on welfare in school. We are going to audit the progress of every state and make the results public.

Second, we are going to make teen mothers who drop out of school go back to school and sign contracts that spell out exactly how they are going to take responsibility for their own lives.

And third, we are giving states immediate authority to provide bonuses to teen mothers who go to school and graduate, and to cut back the

checks of those who don't.

Finally, I'm challenging every state in the country to use its power to keep children who have children at home where they belong. There should be no incentive to leave home for a bigger welfare check.

Unfortunately, even though they can, most states don't require teen mothers to live at home. That's wrong. Of course, if there is an abusive situation at home, children should be living in another safe, responsible setting.

But we have to make it clear that a baby doesn't give you a right, and won't give you the money, to leave home and drop out of school. Today, we are moving to make responsibility a way of life, not an option.

These commonsense steps have bipartisan support. They will help teen parents escape the cycle of dependency and start down the path to a successful future for themselves and their children. Now Congress needs to do its job and pass welfare reform. I'm glad that a group of bipartisan lawmakers is working on welfare reform. If Congress sends me a clean welfare reform plan that demands work, demands responsibility, protects children, and helps families stay together -- I will sign it. Until then, I'll keep working to do everything in my power to reform welfare, step by step and state by state.

Thanks for listening.

END

10:12 A.M. EDT

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Monday, June 24, 1996

Jeff Lancashire, 301-436-7551
Sandra Smith, 301-436-7551

TEEN BIRTHS DROP FOR THIRD STRAIGHT YEAR

Birth rates for teenagers in the U.S. declined in 1994 for the third straight year, according to the latest natality statistics released today by HHS Secretary Donna E. Shalala.

"The Advance Report of Final Natality Statistics, United States: 1994," prepared by the National Center for Health Statistics, a part of the Centers for Disease Control and Prevention, shows the birth rate for teenagers 15-19 years of age dropped from 59.6 births per 1,000 population in 1993 to 58.9 per 1,000 in 1994.

"This is another piece of good news in the battle against teen pregnancy, but we still have a long way to go," Secretary Shalala said. "Every day the tragedy of teen pregnancy hurts our children, our communities and our country. The President understands that teen pregnancy is one of the greatest problems facing our nation, and he has demonstrated leadership and taken action to help solve it."

To continue this progress, the administration has proposed a new \$30 million Teen Pregnancy Initiative, to support community prevention efforts in cities with high teen pregnancy rates. In the past year, HHS also funded 15 demonstration programs through the Adolescent Family Life program aimed at preventing early teen sexual activity and pregnancy, as well as 13 grants through the Centers for Disease Control to help communities build coalitions to reduce teen pregnancy. (See HHS Fact Sheet: "Preventing Teenage Pregnancy.")

The 1994 birth rate among teens ages 15-19 was five percent lower than the recent high of 62.1 in 1991. The decline from 1993 to 1994 in teen births was 1 percent for teens age 15-17 (to 37.6 per 1,000 women) and 1 percent for teens age 18-19 (to 31.5 births per 1,000 women). Recent declines in abortion rates and birth rates for teenagers indicate that the teenage pregnancy rate has also fallen in the 1990's.

Despite this recent decline, the 1994 rate was still higher than in any year during the period from 1974 to 1989.

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Today's report covers broad natality statistics. Overall, births in the U.S. declined for the fourth straight year in 1994 to 3,952,767. The birth rate fell 2 percent to 15.2 births per 1,000 total population; the lowest rate since 1978.

Among women of different race and ethnic groups, fertility rates were highest for Hispanic women, especially Mexican women, and for black women. Successively lower rates were reported for American Indian, Asian or Pacific Islander, and white women. Rates for teenaged women were highest among Mexican, Puerto Rican, and black women.

Meanwhile, the birth rate among unmarried women increased four percent in 1994, although the increases over the past five years have been much slower than that of the period 1984-1989. In 1994, nearly one out of three births were to unmarried women.

The multiple birth ratio rose to 26 per 1,000, an increase of two percent from 1993, and 33 percent since 1980. The higher-order multiple birth ratio (primarily triplet births) jumped 12 percent, doubling since 1987 and tripling since the early 1980's.

The report also provides a great deal of information on maternal health and behavioral characteristics, and improvements were reported in early prenatal care and reduced cigarette smoking:

--Eighty percent of mothers began prenatal care within the first trimester of pregnancy, the third consecutive year of increase. Meanwhile the proportion of mothers with late or no care continued to decline, dropping to four percent.

--Cigarette smoking during pregnancy declined again in 1994, for the fifth consecutive year, to 14.6 percent of mothers. Over 12 percent of births to smokers were low birthweight (less than 2,500 grams) compared with almost 7 percent of births to non-smokers.

--The incidence of low birthweight continued to climb, rising from 7.2 to 7.3 percent. Low birthweight improved among black mothers, but rose among white mothers. There was no change in low birthweight among American Indian or Hispanic mothers, but levels increased among Asian or Pacific Islander infants.

The report is available from National Center for Health Statistics, 6525 Delcrest Road, Hyattsville, MD, 20782; or by e-mail at: paoquery@nch10a.em.cdc.gov. The report is also found on the Internet at <http://www.CDC.gov/nchswww/nchshome.htm>.

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HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

EMBARGOED FOR 4 P.M. EDT
Thursday, Sept. 21, 1995

Contact: CDC (404) 639-3286

CDC RELEASES NATALITY AND TEEN PREGNANCY REPORTS

Teen births are down nationwide and teen pregnancy declined in a majority of states, according to two new studies from the Centers for Disease Control and Prevention released today. CDC also reports that the rate of unmarried childbearing among women of all ages may have stabilized, and the agency released new findings on maternal and infant health.

Although the 1993 teen birth rate is still higher than 20 years ago, the birth rate for those 15-19 declined 4 percent from 1991 to 1993, according to the Advance Report of Final Natality Statistics, 1993, the annual report on birth patterns in America from CDC's National Center for Health Statistics. Teen pregnancy rates (including both births and abortions) were down in a majority of states as reported in "State-Specific Pregnancy and Birth Rates Among Teenagers--United States, 1991-1992," in the Sept. 22 Morbidity and Mortality Weekly Report, also being released today.

"Although these findings are encouraging, we clearly still need to do more to reduce teen pregnancy," said HHS Secretary Donna E. Shalala.

After increasing steadily between 1986 and 1991, the birth rate for teenagers 15-17 years declined 2 percent from 1991 to 1992 and was unchanged in 1993 at 37.8 births per 1,000. The birth rate for

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older teens aged 18-19 was down 3 percent in 1993, to 92.1 per 1,000.

Pregnancy rates for teens declined in 30 of 41 reporting states and in the District of Columbia from 1991 to 1992. Decreases in teen pregnancy are reflected in a decline in both abortion and birth rates, with greater declines noted in the abortion rates. There were a wide range in pregnancy rates by state, from 53.7 per 1,000 women 15-19 in Wyoming to 106.9 for Georgia. Rates increased significantly in only two states.

In 1993, there were over a half-million births to teenagers -- over 200,000 to those not even 18. The teenage population is growing and if teen birth rates do not continue to decline, there will be a rise in the number of teen births over the next few years.

The 1993 annual natality report also documents that the rate of nonmarital childbearing has been essentially unchanged for three consecutive years, at 45.3 births per 1,000 unmarried women aged 15-44 in 1993. Prior to this period, there had been a 50-year rise in childbearing by unmarried women, and from 1980 to 1991 the rate increased 54 percent. Nonmarital births totaled just over 1.2 million in 1993 and accounted for 31 percent of all births that year.

The birth rate for unmarried teens leveled off between 1991 and 1993, showing the same pattern as that for all unmarried women. The vast majority of teen births are nonmarital (72 percent) but teen unmarried births account for only 30 percent of all nonmarital births.

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Overall, births in the United States declined in 1993 for the third consecutive year, to just over 4 million. The birth rate per 1,000 total population declined to 15.5, its lowest point in 15 years. Birth rates for women in their twenties, the peak childbearing ages, declined in 1993 by 2 percent.

After rising steadily for almost two decades, birth rates for women in their thirties appear to have stabilized, recording just modest increases for the past few years. Still, there were more than 900,000 births to women in their early thirties, and the number of births to women aged 35-39, 357,000, was higher than in any year since 1960.

More than 100,000 babies were born in multiple deliveries in 1993, the highest number ever reported. Live births in twin delivery increased 1 percent while the number of triplet and higher-order plural births rose 7 percent.

The report documents maternal medical and lifestyle risk factors during pregnancy and their impact on the health of the infant:

-- **Cigarette smoking** during pregnancy declined to 15.8 percent, down from 19.5 percent in 1989, the first year that information on smoking was recorded on the birth certificate. Smoking during pregnancy declined in all age groups; still almost a quarter of young white and American Indian women, aged 15-24, smoked during pregnancy. Smoking is a key risk factor for low birth weight and infant mortality.

-- The most frequently-reported **medical risk factors** continued to be anemia, diabetes, and pregnancy-related hypertension.

-- **Prenatal care utilization** improved in 1993, following more than a decade of little change, with 79 percent of mothers receiving care in the first trimester. Fewer than 5 percent of mothers had late or no care, the lowest level since 1969.

- More -

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-- The **cesarean delivery rate** declined again in 1993, to 21.8 percent of all births, continuing the downward trend noted in recent years following a rapid and steady increase through the late 1980s. The vaginal birth after cesarean delivery (VBAC) rate increased 8 percent in 1993.

Other measures of maternal and infant health were not so positive, the annual report shows.

-- **Preterm births** (prior to 37 completed weeks) increased 3 percent in 1993 to 11 percent of all births and almost one in five black infants.

-- **Low birthweight** increased from 7.1 to 7.2 percent the highest level reported since 1976. Most of the rise occurred among white births (6.0 percent), but low birthweight is still much higher among black infants (13.3). Low birthweight contributes to three-quarters of all infant deaths.

Data in Advance Report of Final Natality Statistics, 1993, are based on the birth certificates filed in state vital statistics offices and reported to the National Center for Health Statistics through the Vital Statistics Cooperative Program. "State-Specific Pregnancy and Birth Rates Among Teenagers--United States, 1991-1992," is based on birth certificate data as well as abortions reported to the Division of Reproductive Health, National Center for Chronic Disease Prevention and Health Promotion. Both centers are part of the Centers for Disease Control and Prevention, U.S. Public Health Service, within HHS.

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Note: For further information regarding these individual reports, please contact: "State-Specific Pregnancy and Birth Rates Among Teenagers--United States, 1991-1992," MMWR, Rachel Kaufmann or Lisa Koonin at 404-488-5200. Advance Report of Final Natality Statistics, 1993, Stephanie Ventura at 301-436-8954 or Sandy Smith at 301-436-7551.

cc: CHR
Brix
LW H
Return to OBA

6/19

NOTE TO LORRIE MCHUGH --

FYI, data to be released by the CDC indicate that birth rates for teenagers in the U.S. declined for the third straight year in 1994, down 2 percent to 58.9 births per 1,000 teens aged 15-19. Altogether, the birth rate for 15-19 year olds has fallen 5 percent since 1991. Birth rates for 15-17 year olds and for 18-19 year olds both fell by nearly 1 percent in 1994, and have declined by 3 percent since 1991.

This new data on teen birth rates confirm what President Clinton has been saying, that the teen pregnancy rate has been going down in the 1990s but that it is still far too high.

We have some flexibility in timing the release of this good news. The CDC needs to decide in the next couple days when to release the data, and they would like the release date to be on or before June 28th. If there is interest in working with us on this release, please let me know how you would like to proceed. Although this may not merit the scheduling of another White House event, we could time this release to coincide with a Presidential announcement of the data in a speech.

We also need to discuss a Surgeon General's report on physical activity and immunization when you get a minute.

Thank you.

Melissa Skolfield

cc: Jeremy Ben-Ami
Rahm Emanuel

July 1996

Contact: ACF Press Office
(202) 401-9215STATE WELFARE DEMONSTRATIONS

Under section 1115 of the Social Security Act, HHS is authorized to grant states waivers of current laws governing the AFDC and Medicaid programs. This authority is intended to give states the flexibility to demonstrate alternatives that better match their residents' needs.

The Clinton administration is committed to supporting state flexibility and innovation in welfare programs. Under President Clinton, HHS has given more than two-thirds of the states the opportunity to test new welfare approaches -- granting waivers to more states than all previous administrations combined. In an average month, these welfare demonstrations will cover more than 10 million people, representing approximately 75 percent of all AFDC recipients.

Since January 1993, HHS has approved welfare demonstration projects in the following 41 states: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, 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 and Wyoming.

Welfare reform demonstrations granted under President Clinton's leadership have begun the move toward a new welfare system. As President Clinton has said, "We won't have ended welfare as we know it until its central focus is to move people off welfare and into a job so that they can support themselves and their families." National reform, embodying the principles of work and responsibility and building on the successes of state demonstrations, will truly offer hope and opportunity for millions of families and children.

Under demonstrations approved by this administration, states

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Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, Wisconsin

Making Work Pay

Thirty-eight states are providing incentives to encourage families to move from welfare to work.

Many states have increased current resource limits and earnings disregards under AFDC to encourage individuals to work and save money so that they may achieve and maintain self-sufficiency. In fact, more states have increased the resources and earned income a family can keep than have implemented any other type of reform.

Recognizing the need for transitional support as individuals move from welfare to work, some states are also extending child care and/or Medicaid benefits to families after they leave the welfare rolls.

Other states have initiated programs to prevent individuals from going on welfare in the first place. These states provide, on a voluntary basis, a one-time payment in lieu of AFDC to meet a temporary need of assistance.

Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, 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

Improving Child Support Enforcement

Twenty-five states are strengthening child support enforcement, sending a clear message that both parents must be responsible for their children.

Under its child support enforcement program, this administration has required all states to establish hospital-based paternity programs and has substantially increased Federal spending on child support enforcement. States are also experimenting with new strategies to ensure that both parents contribute to the economic well-being of their children. For example, several states are experimenting with "pass through" arrangements that allow families to collect a larger percentage of child support payments, thus increasing incentives to obtain and enforce court orders.

Arizona, Connecticut, Delaware, Georgia, Illinois, Indiana, Maryland, Maine, Massachusetts, Michigan, Mississippi, Missouri, Montana, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oregon, South Carolina, Tennessee, Texas, Vermont, Virginia, Wisconsin

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Encouraging Parental Responsibility

Thirty-five states are promoting parental responsibility by encouraging education, or by limiting benefits for families who have another child while on AFDC. Some states require minors to live at home or with a responsible adult in order to receive assistance, and many use incentives to encourage teen parents to regularly attend and graduate from high school. Several states also require children to attend school, be immunized, and receive regular health check-ups.

Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, 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

Attached is a list and brief description of the state welfare reform demonstration projects granted by the Clinton administration.

ARIZONA:

EMPOWER (Employing and Moving People Off Welfare and Encouraging Responsibility) establishes a time limit on adult AFDC benefits of 24 months in any 60-month period. Additional AFDC benefits will not be provided to families for children conceived while on AFDC or conceived within 12 months after leaving AFDC, if the family later reapplies for benefits.

Families can put aside \$100 a month in Individual Development Accounts, up to \$9000, for training and education. Transitional Child Care and Medicaid will be extended from 12 months as currently allowed to 24 months after leaving AFDC.

An additional three-year pilot project will operate in the Casa Grande, Eloy and Coolidge areas of Pinal County. The pilot will provide work experience by placing participants in subsidized jobs for 9 to 12 months, funded by AFDC grants and cashed-out food stamp allotments; months spent in a subsidized job will not count toward the time limit. All child support collections will be passed through to the family, without affecting eligibility.

Arizona's waiver was received on Aug. 3, 1994 and approved on May 22, 1995.

ARKANSAS:

Under Arkansas' demonstration, AFDC parents age 16 or younger will be required to attend school regularly or face reductions in benefits if they fail to do so. If appropriate, teen-age parents can meet the requirement by attending an alternative educational program.

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In addition, Arkansas will implement a policy of not increasing AFDC benefits when additional children are born into a family receiving welfare. Family planning and group counseling services focusing on the responsibilities of parenthood will be included in the demonstration.

Arkansas' application was received on Jan. 14, 1993, and granted on April 5, 1994.

CALIFORNIA:

California's "Work Pays Demonstration Project" demonstration will encourage teen-age AFDC parents to regularly attend school by paying them a \$100 cash bonus for maintaining a C average, and \$500 for ultimately graduating from high school. Teen-age parents who fail to maintain a D average can have their AFDC payments reduced by up to \$50 a month for two months.

The demonstration will also permit AFDC families to accumulate \$2,000 in assets and have \$4,500 equity in a car. In addition, families will be able to deposit \$5,000 into savings so long as the funds are used to purchase a home, start a business or finance a child's post-secondary education or training.

Finally, the demonstration will allow recipients who work -- but who have low AFDC benefits -- to opt out of the program. They will remain eligible for health care under Medi-Cal as well as other services, such as child care, which are available to AFDC recipients.

California's waiver request was received on Sept. 29, 1993, and granted March 1, 1994.

A second waiver, "AFDC and Food Stamp Compatibility Demonstration Project," makes rules for welfare and food stamp eligibility more compatible. Both AFDC and food stamp recipients with self-employment income can deduct 40 percent of that income when determining eligibility and benefit amounts. Participants in both programs will also be able to exclude college assistance and work-study funds from the resource limit, and up to \$100 in gift income each quarter.

AFDC participants are able to deduct \$4,500 from the equity value of a vehicle when figuring resources, and California counties now have more flexibility in determining the method of setting the equity value.

California's second waiver request was received on Dec. 28, 1994, and approved on April 11, 1995.

A third waiver, "California's Incentives to Self-Sufficiency Project," an amendment to "Work Pays Demonstration Project," provides transitional child care benefits to families that become ineligible for further AFDC benefits because of marriage. It also allows greater penalties for specific types of fraud and

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increases work Community Work Experience Program activities.

California's third waiver request was received on Dec. 28, 1994, and approved on Sept. 11, 1995.

A fourth waiver, "School Attendance Demonstration Project," requires the dependent teen-age children of AFDC recipients in San Diego County to attend school or participate in job search and training.

California's fourth waiver request was received on Dec. 5, 1994, and approved on Dec. 6, 1995.

A fifth waiver an amendment to the "Assistance Payments Demonstration Project (APDP)" includes reductions in cash assistance benefits for California welfare recipients, combined with new work incentives and specific exemptions from benefit reductions.

APDP's design includes new work incentives, such as increased earnings disregards and the removal of the limitation on two parent families working more than 100 hours.

Under the original demonstration, California sought to subject all recipients to the benefit reductions. However, consistent with a demonstration designed to encourage work, HHS approved the amendment with exemptions to the benefit cuts for certain people who would not reasonably be expected to work, such as persons with disabilities and teen parents attending school.

The state's demonstration was further amended by withdrawing waiver authority granted in the original 1992 approval that would have allowed California to provide lower AFDC benefits to new residents of the state.

California's fifth waiver request was received on Aug. 26, 1994, and approved on Feb. 29, 1996.

COLORADO:

Colorado is initiating a "Personal Responsibility and Employment Program" which includes a number of major revisions to the state's AFDC program. The demonstration will operate in five counties. Under the demonstration, parents who are able to work or able to participate in a training program must do so after receiving AFDC benefits for two years. Individuals who refuse to perform the assignments can face a loss of AFDC benefits.

Additionally, the demonstration will "cash out" Food Stamps for participants, meaning that the value of the coupons will be added to the monthly AFDC payment. Participants will be encouraged to work through a new formula which will enable families to keep more of the money they earn. Asset levels and rules pertaining to ownership of an automobile will also be changed so that participants will be permitted to own a car regardless of its

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value or their equity in it.

Finally, the demonstration provides for payment of financial bonuses when participants stay in school and graduate from a secondary (high school) or GED program, and permits financial

penalties to be assessed when parents fail to have their children immunized.

Colorado's waiver request was received on June 30, 1993, and granted on Jan. 13, 1994.

CONNECTICUT:

Connecticut's "A Fair Chance" initiative is designed to increase supports, incentives, and work expectations for AFDC recipients. It has two components, Pathways and Family Strength.

Pathways requires AFDC recipients to work a minimum of 15 hours a week after two years of AFDC, 25 hours a week after three years, and 35 hours a week after four years. Pathways will also help families leaving welfare increase their incomes by paying the difference between the non-custodial parent's child support payments and a state-established minimum. Family Strength provisions raise the resource limit for AFDC eligibility from \$1000 to \$3000 and extend transitional child care and medical benefits an additional year, to a total of two years.

Family Strength will be implemented statewide and Pathways will be implemented in the New Haven and Manchester areas.

Connecticut's application was received on Dec. 30, 1993, and approved on Aug. 29, 1994.

Connecticut's second project, "Reach for Jobs First," limits Aid to Families with Dependent Children (AFDC) payments to 21 months for employable adults, with extensions for good-faith efforts. Recipients must spend at least 12 weeks in jobs search and can keep all that they earn while on AFDC, up to the Federal poverty line for the family's size. Those subject to the time limit are given priority for participation in JOBS, and non-custodial parents may also participate.

Minor parents are required to live in an adult-supervised setting, with the AFDC benefit issued to the adult. The amount of additional AFDC benefits for additional children born to families is reduced by half. Transitional child care and Medicaid are available to those who become employed within six months of losing AFDC eligibility for any reason. Medicaid coverage is provided for 24 months and child care for as long as the family's income is less than 75 percent of the State's median income. There are progressive sanctions for failure, without good cause, to comply with JOBS or child support requirements, including elimination of benefits to the full family for a third offense. The state is also making administrative changes to simplify eligibility procedures.

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Connecticut's second waiver was received Aug. 10, 1995 and approved Dec. 18, 1995.

DELAWARE:

Under Delaware's "A Better Chance" demonstration, all AFDC participants will be required to sign and comply with a Contract of Mutual Responsibility. The contract will specify employment-related activities as well as other activities leading to self-sufficiency.

The demonstration sets a time limit of 24 months on cash benefits for able-bodied adults over 19 years old. It also requires teen parents to live in an adult supervised setting, attend school, participate in parenting and family planning education, and immunize their children. Incentives include a \$50 bonus paid to teens who graduate from high school and the receipt of an additional 12 months of transitional child care and Medicaid benefits to help parents move to work.

Gradual sanctions can lead to the family losing benefits if participants fail to meet education and employment requirements.

Parents will not receive an increase in AFDC payments for additional children conceived while the family is on assistance. In addition, participants who do not cooperate with child support enforcement will be denied benefits.

"A Better Chance" will operate for seven years. Delaware's application was received on Jan. 30, 1995 and approved on May 8, 1995.

FLORIDA:

Florida is implementing a "Family Transition Program" for AFDC recipients in two counties. Under the plan, most AFDC families will be limited to collecting benefits for a maximum of 24 months in any five-year period.

Individuals who exhaust their transitional AFDC benefits but are unable to find employment will be guaranteed the opportunity to work at a job paying more than their AFDC grant. The demonstration also provides a longer period of eligibility -- 36 months in any six-year period -- for families at a high-risk of becoming welfare dependent.

Medicaid and child care benefits will be available in the demonstration. Local community boards will play a large role in overseeing the program.

Other elements of the demonstration include an increase in the earnings disregard formula and asset ceilings, as well as a statewide requirement that AFDC parents must ensure that their children have been immunized.

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Florida's waiver request was received on Sept. 21, 1993, and granted on Jan. 27, 1994.

Florida's first demonstration implemented a "Family Transition Program" for AFDC recipients in Escambia and Alachua Counties. The "Family Transition Program Expansion," which extends the project to six additional counties, was the first to be reviewed under a "fast track" 30-day period. Counties eligible for participation are Lee, Duval, Pinellas, St. Lucie, Orange, and Volusia Counties. It will operate for eight years.

Florida's second waiver request was received on August 2, 1995, and granted on September 6, 1995.

Under Florida's third waiver, the Family Responsibility Act (FRA), families receiving Aid to Families with Dependent Children (AFDC) who have additional children conceived while on AFDC will be eligible for just half of the additional benefit for a first child and no additional AFDC benefits for subsequent children. The additional children will, however, be eligible for Medicaid, and the family's Food Stamp allotment will increase.

FRA also requires minor parents and minor dependent children to attend school. Failure to comply can result in the removal of the non-attending individual from the AFDC grant.

Florida's third waiver request was received on October 4, 1995, and granted on June 26, 1996.

GEORGIA:

Georgia is initiating the "Personal Accountability and Responsibility Project" (PAR) which strengthens federal work requirements that must be met in order to receive cash benefits. Georgia's welfare agency will now be able to exclude from an AFDC grant any able-bodied recipient between the age of 18 to 60 who has no children under the age of 14 and who willfully refuses to work or who leaves employment without good cause. The rest of the family will continue to be eligible for AFDC benefits.

The plan will also allow the state to deny additional cash benefits for additional children born after a family has been on welfare for at least two years if the child was conceived while the family was on welfare. However, PAR would allow recipients to "learn back" the denied benefits through the receipt of child support payments or earnings.

Medicaid and Food Stamps eligibility will continue for all family members. In addition, Georgia will offer family planning services and instruction in parental skills to AFDC recipients.

Georgia's waiver request was received on May 18, 1993, and granted on Nov. 2, 1993.

Georgia's second project has two components. Under Work for

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Welfare, in effect in ten counties, adults who have received AFDC payments for 24 of the previous 36 months are required to work up to 20 hours per month at an assigned job in local, state or Federal government, or at a non-profit agency. If work is not available, time may be spent in job search. Courts may order non-custodial parents who are delinquent in child support payments to also take part.

Failure to participate can result in the loss of the individual's benefits for one month the first time, 3 months the second, and 2 years the third. Benefits to children are not affected, and participation is not required if transportation is not available. The ten counties are Bibb, Cook, Crisp, Dooly, Irwin, Jenkins, Lowndes, Walker, Wayne, and White.

A second component, implemented statewide, allows a family to have a vehicle of any value if it is used to commute to work or school. It also disregards the earnings of children attending school full-time, through age 18.

Georgia's second project request was received on July 6, 1994 and approved on October 6, 1995.

HAWAII:

Under Hawaii's "Creating Work Opportunities for JOBS Families" (CWOJF) programs, job-ready JOBS recipients who would otherwise expect to wait at least three months to be placed in a regular education or training activity are required to pursue job leads developed by JOBS program specialist. The positions are part-time (up to 18 hours per week), private sector jobs at minimum wage, and will allow participants to gain work experience, develop their skills, and better target training needs. The demonstration will operate for five years.

Hawaii's application was received on Nov. 3, 1993, and granted on June 24, 1994.

ILLINOIS:

The Work Pays component, added to the previously approved Project Fresh Start, encourages employment and thereby self-sufficiency by enabling recipients to keep more of their earnings than is normally allowed. The State will disregard two of each three dollars earned for as long as they continue working.

Illinois' waiver request was received Aug. 2, 1993, and granted on Nov. 23, 1993.

A second Illinois project, Work and Responsibility, will operate statewide and include a 2-year time limit on AFDC when the youngest child in the family is 13 or older, with good cause extensions. Any month in which the family has earned income will not count toward the time limit. Those who fail to find employment within the first year must accept up to 60 hours per

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month of work subsidized by the AFDC grant. Families that reach the time limit and do not qualify for extensions will be ineligible to reapply for further assistance for two years. New applicants with children 5-12 years of age must participate in job search and employment and will be assigned to community service if they have not found a job by the end of six months.

Under this second project, all recipients must develop a Self Sufficiency Plan for moving from welfare to independence as a condition of eligibility. There will be no increased benefits for the birth of children conceived while receiving AFDC.

A third project, School Attendance, operates in areas that have contracted with social service providers to provide assistance to families with truant children. Recipients must cooperate with efforts to improve school attendance or face fiscal sanctions.

The second and third waiver requests were received July 18, 1995 and approved October 2, 1995.

Under Illinois's fourth demonstration, "Six Month Paternity Establishment Demonstration," AFDC recipients will be required to take more responsibility for helping the state establish paternity. New applicants and AFDC recipients who are having their cases reviewed or adding another child will be asked to provide more detailed information about the identity and location of the father of the child(ren). A signed statement that the mother does not know this information will no longer, by itself, be acceptable evidence of cooperation.

Acceptable cooperation can include providing the name and Social Security number of the father, or the name and at least two of the following: date of birth, address, telephone number, name and address of employer, names of parents, auto tag number, or other information that the state determines is likely to lead to the establishment of paternity. The state will develop criteria for determining cooperation in cases where the parent cannot reasonably be expected to know the identifying information of the child's father.

Failure to cooperate during the first six months after notification of the rules will result in current law sanctions: the elimination of the parent's portion of the AFDC grant and the adult's Medicaid coverage. After six months, if the parent still does not cooperate, or stops cooperating, the child's portion of the AFDC grant can be terminated, but the child's Medicaid coverage will continue.

The fourth waiver request was received on July 18, 1995 and approved June 26, 1996.

INDIANA:

Under the Indiana Manpower Placement and Comprehensive Training Program (IMPACT), at any point in time, up to 12,000 job-ready individuals will be assigned to a "Placement Track" and receive

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help in job search and placement. Once on this track, AFDC benefits will be limited to 24 consecutive months. The time limit applies to adult benefits only; children's benefits will not be affected. Case management and supportive services will continue for a period after AFDC benefits end.

For all recipients who become employed, earnings will be disregarded in determining Food Stamp benefits for the first six months. There will be increased sanctions for quitting a job or for failure to comply with program requirements. There will also be fewer exemptions from current JOBS participation requirements. Another provision will extend subsidies to employers who hire welfare recipients for a maximum of 24 months.

A family benefit cap provision will disallow additional AFDC benefits for children conceived while on AFDC although the child will be eligible for Medicaid. Children will be required to attend school and be immunized. IMPACT will operate for seven years.

Indiana's request was received June 21, 1994, and granted Dec. 15, 1994.

IOWA:

Iowa is implementing "Family Investment Plan," a statewide reform plan that requires recipients to enter into a Family Investment Agreement (FIA) that outlines activities and time frames during which the client is expected to become self-sufficient, and after which AFDC benefits will be terminated. Recipients are encouraged to work under a new formula that disregards 50 percent of their earnings in the calculation of benefits. For recipients lacking in significant work histories, all income is disregarded during the first four months on AFDC. Recipients are required to enter into a Family Investment Agreement (FIA) that outlines activities and time frames during which the client is expected to become self-sufficient, and after which AFDC benefits will be terminated. If the client demonstrates effort and satisfactory progress but is unable to achieve self-sufficiency within the time frame specified in the FIA, the state will extend the time frame. If the client demonstrates a willful failure to participate in the FIA process (e.g., fails to return telephone calls), benefits will be phased-out over a six-month period and the individual may not re-apply for six months. Applicants and recipients who do not sign an FIA will receive the Limited Benefit Plan (LBP). Participants under their first LBP will be eligible for up to three months of reduced benefits, followed by six months of ineligibility for AFDC benefits. Only parents with a child under six months old at home, those working at least 30 hours per week, and the disabled are exempt.

The State also encourages AFDC and Food Stamp recipients to take jobs and accumulate assets through a program of "Individual Development Accounts." Funds deposited in an account can only be withdrawn to pay for education, training, home ownership, business start-up or family emergencies. The current law which

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limits each family's assets to \$1,000 will be changed to allow each applicant to have up to \$2,000 in assets and each AFDC family to possess up to \$5,000 in assets. Additionally, the vehicle asset ceiling will rise from \$1,500 to \$3,000.

Iowa's request was received April 29, 1993, and granted Aug. 13, 1993.

Iowa amended the "Family Investment Plan" with several parental responsibility features by requiring minor parents to live with their adult parents or legal guardians, parents who are 19 years old or younger to attend parenting classes, and minor parents to participate in activities that would complete their high school education. Also, the amendments lower the age of the exemption from the JOBS program requirements for parents with children who are younger than 6 months old to younger than 3 months old. Lastly, the state will disregard the earned income of full-time students who are 19 years old and younger.

Iowa's second request was received on Feb. 9, 1996, and granted on Apr. 11, 1996.

LOUISIANA:

Louisiana's Individual Responsibility Project limits AFDC recipients to 24 months of benefits within any 60 month period. Exceptions are provided for recipients who are disabled, and those unable to find or keep a job through no fault of their own.

To encourage school attendance, children who miss 15 days of school in any 6-month period without good cause will be put on probation and have their benefits withheld if they miss more than 3 days a month thereafter. Benefits can also be withheld when parents do not arrange appropriate immunizations for their children.

Louisiana's application was received on September 22, 1995 and approved February 5, 1996.

MAINE:

"Welfare to Work," a statewide demonstration, requires Aid to Families with Dependent Children (AFDC) recipients to sign a personal responsibility contract outlining commitments to work, cooperate with child support enforcement, attend parenting classes, and ensure health check-ups and immunizations for their children. There are sanctions for failure to comply.

Unmarried parents under 18 will be required to live in an adult-supervised setting. Benefits will be issued in the form of vouchers paid directly to individuals or companies to cover the cost of rent and utilities, with the remainder going to a responsible adult on the teen parent's behalf. When there are no rent or utility costs, the entire AFDC cash benefit will be paid to the responsible adult.

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To encourage the transition to work, AFDC recipients who get jobs will be eligible for up to 12 months of transitional Medicaid and child care benefits after one month on AFDC. There will be a nominal, flat-rate fee for transitional child care services. Families may own one automobile, regardless of value.

To help families otherwise eligible for AFDC get through a financial crisis without needing to rely on welfare, families can opt to receive a one-time lump sum voucher payment equal to up to three months' AFDC cash benefits.

A second component of Welfare to Work, "ASPIRE-Plus," will be piloted in nine counties. It will help AFDC recipients move into private sector jobs by combining the cash value of their AFDC and Food Stamp benefits to partially subsidize job placements for up to six months. Also, child support payments will be sent directly to the family and, except for the first \$50, counted as income.

Maine's application was received on Sept. 20, 1995 and approved June 10, 1996.

MARYLAND:

Maryland's "Family Investment Program" (FIP), under a pilot demonstration in Anne Arundel and Prince George's counties and parts of Baltimore, requires able-bodied AFDC applicants to participate in job search as a condition of eligibility. After six months of non-compliance, the case will be closed, resulting in denial of AFDC benefits for the entire family. Closed cases can be reopened only if applicant complies with JOBS for 30 days. Closed cases may receive up to three months of non-cash transitional assistance through a third party, such as a non-profit organization.

Also under the pilot, the income of dependent children will not be counted in determining AFDC eligibility, and the resource and vehicle value limits will be raised to \$5,000. The principal wage earner in two-parent families can work more than 100 hours a month, and individuals sanctioned by Child Support Enforcement will be required to participate in JOBS. Families facing a short-term financial crisis can receive a one-time payment equal to three months of benefits rather than applying for AFDC.

Statewide, FIP eliminates automatic benefit increases for additional children conceived while receiving AFDC. The family can retain child support payments for the additional child, however, and the State will issue voucher payments for the purchase of goods for the child, up to the amount of increase the family would otherwise receive. Unmarried minor parents must reside with a parent or guardian and must attend family health and parenting classes.

Maryland's application was received March 1, 1994, amended in May, 1995, and approved August 14, 1995.

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MASSACHUSETTS:

"Welfare Reform '95" statewide establishes a Work Program requiring recipients who cannot find at least 20 hours per week of paid employment after 60 days of AFDC receipt to do community service and job search to earn a cash "subsidy." The state provides jobs for recipients who cannot find work by combining AFDC and cashed-out Food Stamp benefits to be used for up to 12 months to subsidize private sector jobs. Employers will contribute to Individual Asset Accounts that will help recipients transition to non-subsidized employment. Earned income disregards and resource limitations will be increased, and transitional Medicaid benefits will be extended.

Teen parents without high school diplomas must attend school, and must generally live with their parents. There are sanctions for parents who do not ensure that their children attend school or receive appropriate immunizations. There are no increases in AFDC benefits for additional children. There are stricter requirements for paternity establishment and child support, and sanctions for non-compliance.

Massachusetts' request was received April 3, 1995 and approved August 4, 1995.

MICHIGAN:

This expansion of Michigan's "To Strengthen Michigan Families" welfare demonstration requires AFDC recipients to participate in either the Job Opportunities and Basic Skills Training Program (JOBS) or Michigan's "Social Contract" activities that encourage work and self-sufficiency. Michigan is also testing the requirement that AFDC applicants participate in job search, by actively seeking employment while eligibility for AFDC is being determined.

The demonstration also requires that pre-school-age children be immunized and disregards the value of one vehicle in determining eligibility. Additionally, in two counties, Michigan will evaluate mediation services to determine if this increases compliance with child support. The demonstration will extend previously approved waivers until October 1999.

Michigan's request was received March 8, 1994, and granted Oct. 5, 1994.

This further expansion of "To Strengthen Michigan Families" demonstration project will require minor parents to live with their parents, relatives, or legal guardian, or in an adult-supervised living arrangement, as a condition of eligibility for AFDC. Minor parents will receive assistance from the state to find an appropriate adult-supervised household, if necessary. Minor parents also will be required to attend school. Failure to comply will result in denial of AFDC benefits for the minor parent and her children. Under both provisions, parents and children who lose cash benefits will retain Medicaid coverage.

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Michigan's second request was received April 26, 1996, and granted June 26, 1996.

MINNESOTA:

This expansion of the "Family Investment Program" adds Ramsey County to the seven currently operating counties. The demonstration combines AFDC, Food Stamps and the State's Family General Assistance benefits into one cash grant with uniform rules and procedures. As incentives to move from welfare to work, the State determines eligibility based on net income only, increases asset limits and eliminates the 100-hour and work history rules for two-parent families. The demonstration also requires non-exempt, long term recipients to participate in employment and training services.

Minnesota's request was received on March 29, 1996, and granted May 16, 1996.

MISSISSIPPI:

Mississippi's reform plan promotes health and education for children receiving welfare assistance and supports work efforts by their parents. The demonstration includes a wide component and two projects, "Work First" in six counties, and "Work Encouragement" in two counties.

The wide component requires all children aged six through 17 to attend school and all children under age six to be immunized and receive regular health checkups. It also extends AFDC eligibility for two-parent families by allowing mothers or fathers to work more than 100 hours a month.

The "Work First" component provides subsidized, private-sector employment for job-ready participants. A special fund created from participants' AFDC and food stamp benefits will reimburse employers' wages. The State will provide supplemental payments to recipients when their total income is less than the combined AFDC and Food Stamp benefits they would otherwise receive. In addition, each "Work First" participant will have an "individual development account" for family savings, to which employers will contribute one dollar per hour of work. The State will also pass on to the family all the child support payments it collects on its behalf.

The "Work Encouragement" component allows recipients to keep more of their earnings and still receive AFDC, by raising the earned income limit from 60 to 100 percent of state-established need levels. Time limits on income disregards will also be waived.

The "Work First" component will be implemented in Adams, Harrison, Jones, Lee, Hinds and Washington Counties. The "Work Encouragement" component will be implemented in Leflore and Oktibbeha counties. Under both the "Work First" and "Work Encouragement" components, courts may require unemployed, non-

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custodial fathers to participate in the JOBS program to meet child support obligations.

The demonstration will be in effect for five years. The request was received Dec. 10, 1993, and granted Dec. 22, 1994.

Mississippi's second demonstration, New Direction Demonstration Project, denies additional AFDC benefits to children conceived while the family is receiving welfare. The child will be eligible for Medicaid and any income the family receives on behalf of the child will not be counted in determining the family's eligibility for AFDC. The benefit cap does not apply to first-born children or to children conceived as a result of rape, sexual assault, or incest.

This second project provides incentives for school attendance and immunization and makes more two-parent families eligible for benefits. In six counties, AFDC and food stamp benefits can be used to supplement wages in private sector jobs, and in two other counties, higher income ceilings allow recipients to earn more before they lose their AFDC eligibility.

The application for Mississippi's second project was received Feb. 17, 1995, and approved on Sept. 1, 1995.

A third project, an amendment to Mississippi's Work First component of the New Direction Demonstration Project encourages more welfare recipients to move from welfare to work by making families who are on AFDC less than 3 months eligible for transitional Medicaid and child care. Also, the state will sanction recipients who are exempt from participating in JOBS, such as a mother with a child under 3, who volunteer for JOBS and then drop out of the program without good cause.

Mississippi's third project was received on November 20, 1995 and approved February 5, 1996.

MISSOURI:

"Missouri Families - Mutual Responsibility Plan" requires AFDC recipients to sign and fulfill a self-sufficiency agreement that establishes a plan for work and places a two-year time limit on benefits. An additional two years may be allowed, if necessary, to achieve self-sufficiency.

Individuals who are not self-sufficient by the end of the time limit must participate in job search or work experience programs. Those who have received AFDC benefits for 36 months or more and have completed their agreement by leaving AFDC will not be eligible for further benefits, with certain good cause exceptions. Children's benefits will not be affected.

Minor parents must live with their parents or guardians to receive benefits. If they attend school full-time and work, they may keep all employment income. In some counties, non-custodial parents who volunteer for the state's JOBS program can receive

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credit against past-due child support.

For two-parent families with at least one parent under 21, the limit will be waived on the number of hours the principal wage earner can work. The resource limits will be increased for all families, and they may own one automobile, without regard to its value.

Missouri's application was received in two parts, on Aug. 15, 1994, and Jan. 30, 1995, and was approved on April 18, 1995.

MONTANA:

Montana's "Families Achieving Independence" has three components: the Job Supplement program, AFDC Pathways program, and Community Services program.

The Job Supplement program helps at-risk families avoid becoming welfare dependent by providing a one-time payment of as much as three times the monthly AFDC payment the family would otherwise be eligible to receive. Child support collections will also be passed directly on to the custodial parent.

Other AFDC applicants must enroll in the AFDC Pathways component and sign a Family Investment Agreement that limits benefits to 24 months for one-parent families and 18 months for two-parent families, with some exceptions. Income disregards and asset limits will be raised, and recipients must participate in JOBS, comply with child support enforcement provisions, and obtain medical screenings and immunizations for their children. Adults who do not leave AFDC by the end of the time limit must enroll in the Community Services program and perform 20 hours of community work per week. Children's AFDC benefits will not be time-limited, and they will continue to be eligible for Medicaid and food stamps.

All participants must also choose between a reduced Medicaid benefit package and a partial premium payment towards a private health insurance policy. Full Medicaid coverage will be provided on an emergency basis if certain services are needed for employment purposes.

Montana's application was received April 19, 1994 and approved on April 18, 1995.

NEBRASKA:

Under Nebraska's demonstration project, most welfare recipients will be given a choice between two time-limited welfare plans. One program will offer slightly lower benefits, but will enable recipients to retain more benefits when they begin to earn income from work. An alternative benefit program will offer slightly higher benefits, but the level of benefits will decrease more quickly when recipients begin to earn employment income. A non-

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time-limited program will remain in place, but could only be chosen by recipients exempted by the state from enrolling in one of the time-limited programs.

Under all three programs, a recipient must develop a self-sufficiency contract with a caseworker. There will be no additional benefits for children conceived while the mother is receiving AFDC; resource limits will be raised to \$5,000; benefits will be reduced by \$50 for each minor child who fails to attend school; and minor parents who live at home will be expected to receive support from their parent(s) if the parent's income exceeds 300 percent of the federal poverty rate. In addition, under the two time-limited programs, cash assistance will be provided for a total of 24 months in a 48-month period; food stamps will be cashed out; AFDC payments will be slightly reduced; and all adult wage earners must work or participate in job search, education, or training. Two years of transitional Medicaid and child care will be available for recipients who leave welfare for work. The project will be implemented in two counties on July 1, 1995, and will be expanded statewide the following year. It will operate for seven years.

Nebraska's waiver request was received on Oct. 4, 1994, and granted on Feb. 27, 1995.

NEW HAMPSHIRE:

The statewide New Hampshire Employment Program (NHEP) requires Aid to Families with Dependent Children (AFDC) recipients to undertake job search efforts within six months of first receiving benefits, followed by six months of participation in work activities, with some exceptions. Sanctions are increased for non-cooperation or refusal of a job offer. New applicants must be assessed for employability as a condition of eligibility. To further emphasize New Hampshire's shift from welfare to work, AFDC will be jointly administered by the New Hampshire Department of Health and Human Services and the Department of Employment Security.

For children conceived while the family is on AFDC, NHEP exempts the mother from work only until the child is 13 weeks old. It limits the amount of time recipients may spend in post-secondary educational activities, and withdraws automatic exemption for remoteness from work. Unemployed non-custodial parents can be required to participate in work program activities.

NHEP helps families make the transition to work by providing transitional case management services and expanded transitional Medicaid benefits. It promotes independence by raising the resource limit to \$2,000 and disregarding the value of one vehicle. It encourages school attendance by not counting financial aid and the income of children when determining eligibility and benefits.

New Hampshire's waiver request was received on Sept. 18, 1995,

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and granted on June 18, 1996.

NEW YORK:

New York's "A Jobs First Strategy" gives applicants alternatives to welfare, provides new incentives for recipients to find work and create businesses, and encourages the formation and preservation of two-parent families.

The demonstration allows applicants otherwise eligible for Aid to Families with Dependent Children the option to receive child care or JOBS Training program services in place of AFDC. The program will also provide one-time cash assistance or other services necessary to remedy a temporary emergency which has resulted, or may result, in job loss or impoverishment.

The demonstration allows children in AFDC families to receive AFDC for up to two years after a caretaker parent marries and the new spouse's income makes the family ineligible, so long as the household's income does not exceed 150 percent of the federal poverty guidelines. It extends to a full year transitional child care benefits for employed recipients who leave the rolls because of child support payments. In addition, clients are encouraged to develop their own business enterprises by excluding certain business income and resources, including vehicles.

The demonstration will be implemented in six sites in four counties (Broome, Onondaga, Erie and up to three sites in Brooklyn), and will operate for five years.

The request was received June 7, 1994, and granted Oct. 19, 1994.

NORTH CAROLINA:

North Carolina's Work First demonstration project requires AFDC applicants to sign a Personal Responsibility Contract before their applications can be considered. Once approved, they must work a minimum of 30 hours per week, unless exempted, and are limited to 24 months of benefits, with extensions on a case-by-case basis.

To help those not on welfare to stay off welfare, the state can pay a one-time lump sum equal to 3 months of AFDC benefits. Such payments must be repaid if the person later applies for regular AFDC benefits. In most cases, there will be no additional benefits for additional children, and minor parents must live with their parents or guardians. Parents must see to it that their children attend school regularly and receive immunizations and regular medical exams. Custodial parents must cooperate with child support enforcement efforts.

North Carolina's application was received on September 20, 1995 and approved February 5, 1996.

In Cabarrus County, "Work Over Welfare" (WOW) requires Aid to

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Families with Dependent Children (AFDC) applicants and recipients with children between the ages of one and five to develop an "Opportunity Agreement" outlining employment and training responsibilities. When the youngest child in a family reaches age five, the adult will become subject to North Carolina's statewide demonstration, "Work First," which has separate work and training requirements.

Under WOW, recipients are required to take part in up to 40 hours of employment and training activities a week, including JOBS activities, job search, and subsidized employment. The state will deny benefits to adult applicants who refuse to sign an agreement, and there are progressive sanctions for failure to comply with the agreement.

To help recipients make the transition from welfare to work, AFDC and food stamp benefits will be "cashed out" to provide wage subsidies to employers. Recipient wages will never be less than they would have received in AFDC and/or food stamp benefits.

North Carolina's second waiver was received on Oct. 5, 1995 and approved on Mar. 18, 1996.

NORTH DAKOTA:

North Dakota's demonstration will provide federal AFDC matching funds to the state for low-income women during the initial six months of pregnancy with their first child. Such payments are usually not available until the last trimester of the pregnancy.

In addition, the demonstration links AFDC to a requirement that individuals enroll in the state's welfare-to-work program and pursue education or training activities both during the first six months of pregnancy and after their child is 3 months of age.

North Dakota's waiver application was received on Aug. 19, 1993, and granted on April 11, 1994.

A second project, "Training, Education, Employment and Management" (TEEM), operates in 10 North Dakota counties. TEEM combines Aid to Families with Dependent Children (AFDC), Food Stamps and the Low Income Home Energy Assistance Program (LIHEAP) into a single cash benefit and establishes simpler and more uniform eligibility rules. It requires recipients to develop a personal responsibility contract with a time limit for attaining self-sufficiency. Failure to comply with the contract brings progressive sanctions, up to and including loss of AFDC benefits for the entire family.

Under TEEM, families may earn more money and accumulate more assets before losing benefits. They may also own one vehicle, regardless of value, to get to and from work. Health screenings and appropriate immunizations are required for all children. To encourage family formation, income of a stepparent is not counted for the first six months. The 10 counties where the project operates are Adams, Cass, Ransom, Richland, Sargent, Stark,

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Steele, Stutsman, Traill, and Williams.

The waiver request was received September 13, 1994, and approved September 28, 1995.

OHIO:

The Ohio demonstration has three components: Families of Opportunity, Children of Opportunity, and Communities of Opportunity.

Communities of Opportunity will operate in up to five sites, primarily in Empowerment Zone/Enterprise Community areas. In these sites, the state will work with local business, industry and community leaders to generate up to 2500 wage-supplemented jobs during the five-year life of the demonstration. These jobs are expected to pay at least \$8 per hour and provide the economic stability for a family to leave welfare permanently. Wages will be supplemented with Food Stamp allotments and AFDC grants.

Families of Opportunity expands eligibility for two-parent families, extends transitional child care for up to 18 months, and increases the amount of earnings a family can retain before losing AFDC eligibility. It will operate in ten counties.

Children of Opportunity will operate in two counties and will focus on education. Under this component, dependent children between 6 and 18 will be required to attend school regularly.

Case management services will be available for families with attendance problems, and there will be financial penalties for failure to comply.

Ohio's first request was received on May 28, 1994 and granted on March 7, 1995. The project will operate for five years.

The "Learning, Earning, and Parenting" (LEAP) Program, Ohio's second demonstration, to be in operation for six and a half years, builds on the accomplishments of the original waiver by adding a statewide emphasis on work. The State requires AFDC recipients, who are either pregnant or parents under the age of 20, to attend school or a program leading to a high school diploma or equivalent. The modification also allows LEAP participants to meet this requirement through approved training or work activities, if educational activities are not appropriate. Bonuses, originally included in LEAP, now include a one-time \$62 grade-completion bonus for each subsequent grade (except grade 12) completed in high school or alternative school. A one-time \$200 bonus will be granted to those who graduate from high school or obtain a GED. Fiscal sanctions will be imposed for non-compliance.

Ohio's second request was received on June 19, 1994, and granted on September 6, 1995.

Ohio First will limit Aid to Families with Dependent Children

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(AFDC) eligibility to 36 months in any 60-month period, with good cause exceptions. As a condition of eligibility for the family, applicants must look for employment while their application is being processed.

To further encourage work, the first \$250 of earned income and one-half of income over \$250 will be disregarded each month when calculating benefits. To encourage two-parent families to move from welfare to work, mothers or fathers will be able to work more than 100 hours a month and retain eligibility.

All recipients will be required to develop a Self Sufficiency Contract with the state as a condition of eligibility. Those without a high school diploma must enroll in an education program, and there are progressive sanctions for failure to cooperate with employment and child support enforcement activities. Pregnant women will be required to get prenatal care and cooperate with substance abuse treatment if necessary.

Ohio's third waiver was received on Oct. 27, 1995, and granted on Mar. 13, 1996.

OKLAHOMA:

Oklahoma's demonstration seeks to encourage welfare recipients to regularly attend school and ultimately graduate from a high school or equivalent educational program.

The demonstration provides that AFDC recipients between the ages of 13 and 18 need to remain in school or face a reduction in benefits if they drop out. The plan applies to teen-age parents as well as children.

Oklahoma's request was received Dec. 28, 1992, and granted Jan. 25, 1994.

In addition, under Oklahoma's "Mutual Agreement--A Plan for Success" (MAAPS) work incentives are increased by allowing recipients to keep some of their earnings without losing AFDC benefits. MAAPS also waives the requirement that the principal wage earner in a two-parent family work fewer than 100 hours per month to qualify for AFDC, and it raises the allowance for an automobile, from \$1500 to \$5000.

After receiving AFDC benefits for three years in any five-year period, recipients still unable to find a job are required to work at least 24 hours a week in a subsidized job. MAAPS also provides intensive case management for three targeted groups: teen parents, long-term recipients and those with a continuing cycle of dependence on welfare. An agreement between the recipient and the state assesses abilities and outline rights, responsibilities and consequences.

MAAPS operates in six counties: Creek, Grady, Jackson, McCurtain, Okmulgee and Seminole. It will operate for five years and include a rigorous evaluation.

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For this waiver, Oklahoma's application was received on Feb. 24, 1994, and granted March 13, 1995.

OREGON:

Oregon's JOBS Plus demonstration provides individuals with short-term (up to nine months) subsidized public or private employment at minimum wage or better. The state will provide supplemental payments if an individual's income is less than the combined Aid to Families with Dependent Children and Food Stamp benefits.

Participants will continue to be eligible for Medicaid and will receive workplace mentoring and support services. The state also will pass on to the family all the child support payments it collects on the family's behalf.

Each JOBS Plus participant will also have an Individual Education Account (IEA), to which employers will contribute one dollar per hour of work. After a participant begins working in a non-subsidized position, the state will transfer the IEA to the State Scholarship Commission. The commission will then make funds available to the participant or the immediate family for continuing education and training at any state community college or institution of higher learning.

Oregon's request was received on Oct. 28, 1993, and granted Sept. 19, 1994.

The Oregon Option replaces Oregon's previously approved JOBS Plus demonstration. The Oregon Option will test an innovative employment-focused approach to moving people from welfare to work. With its emphasis on involving the entire AFDC caseload in job-related activities, on providing supports for employment, and on defining success in terms of employment outcomes, this demonstration will help Oregon families become -- and stay -- self-sufficient.

The Oregon Option will limit Aid to Families with Dependent Children (AFDC) recipients to 24 months of benefits in any seven-year period, with some exceptions. Nearly all recipients will be required to participate in the demonstration, and progressive sanctions will be imposed for failure to comply with requirements.

Eligible participants will be provided subsidized public or private employment for up to nine months at minimum wage or better. The subsidies will be funded by combining AFDC grants and cashed-out Food Stamp allotments. The state will provide supplemental payments if an individual's income is less than the combined AFDC and Food Stamp benefits. Participants will continue to be eligible for Medicaid and will receive workplace mentoring and support services. In addition, the state will pass on to families all child support payments it collects on their behalf.

Under the Oregon Option, Oregon will have increased incentives to

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move more people from welfare to work. If Oregon has reduced its annual AFDC expenditures by moving recipients from welfare to work, Oregon may use the additional federal matching funds for reinvestment in services that promote self-sufficiency, such as additional child care and JOBS services. Under a separate memorandum of understanding, Oregon will have flexibility to change quality control activities to measure self-sufficiency and child well-being, while maintaining fiscal accountability.

In order to promote parental responsibility, minor parents will be required to live at home with their parents or in another safe living environment as a condition of eligibility.

To ease the transition to independence, Oregon will extend child care eligibility an additional 12 months for recipients who get jobs but whose income remains below a level established by the state. In addition, AFDC eligibility will be expanded to more two-parent families by allowing mothers or fathers to work more than 100 hours a month. The Oregon Option also allows families to accumulate more resources by raising resource limits.

Oregon's second waiver was received on July 10, 1995, and granted on Mar. 28, 1996.

PENNSYLVANIA:

Pennsylvania's "Pathways to Independence" project provides incentives and support for single and two-parent families moving from welfare to self-sufficiency. It increases earned income disregards so that recipients can keep more of what they earn before they become eligible for public assistance. Additionally, it raises AFDC resource limits, including the value of a family's vehicle, and increases the time that a family is eligible for transitional child care and Medicaid after the family leaves welfare due to earnings. It will operate in Lancaster County. To further aid the transition to work, Pathways extends case management counseling and referral services to up to one year after the family leaves welfare. Families will be able to deposit money into retirement savings and education accounts without penalty. Furthermore, after two months of employment, recipient families can also choose to receive cash payment of their monthly Food Stamp benefit. The demonstration will operate for five years.

The request was received on Feb. 18, 1994, and granted Nov. 3, 1994.

SOUTH CAROLINA:

South Carolina's Self-Sufficiency and Personal Responsibility Program sets work requirements and provides transitional assistance for program participants. After completing Individual Self-Sufficiency Plans (ISSP's) to help prepare them to become self-sufficient, AFDC recipients have 30 days to find a job in a

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designated vocational area. If they fail to secure such employment, recipients receive an additional 30 days on AFDC to find any private sector job, after which time they must participate in a community work experience program in order to continue to receive AFDC benefits. Progressive sanctions for non-compliance, up to and including removal of the entire family from assistance, are components of this program.

To aid in the transition to work, recipients who would otherwise no longer be eligible for AFDC because of employment can receive reduced benefits for up to 12 months. Families remain eligible for Medicaid and child care during this phase-down period, and regular transitional Medicaid and child care benefits begin at the end of this period.

The program also raises resource limits to \$3,000 and exempts the cash value of life insurance policies, one vehicle and interest and dividend payments. Children of recipients are required to attend school regularly and obtain appropriate immunizations.

The demonstration will operate in Berkeley, Dorchester, Charleston, and Barnwell Counties for a period of five years.

South Carolina's request was received on June 13, 1994, and granted on Jan. 9, 1995.

South Carolina's second welfare reform project, "Family Independence Act" (FIA) will operate statewide. FIA requires that Aid to Families with Dependent Children (AFDC) applicants participate in job search as a condition of eligibility. Recipients must sign an Individual Self-Sufficiency Plan outlining employment and training requirements, family skills training, and, if necessary, substance abuse treatment. Children will also be required to attend school. There will be sanctions for failure to comply with the plan's requirements or refusing an offer of employment.

AFDC benefits will be limited to two years, with good faith extensions. There will be no additional cash benefits for additional children born 10 or more months after the family enrolls on AFDC, but vouchers will be available for child-related commodities.

When a family reaches the time limit, if the parent requests an extension, the state may require the family to relocate in order to accept a bona fide job offer in another part of the state. The state will provide relocation assistance, including funds for moving expenses, housing search, child care, and rent for the first month. The relocation provision would apply only to families living in counties where the unemployment rate is 50 percent higher than the rest of the state. The state will also consider good cause exceptions.

FIA expands AFDC eligibility for two-parent families by removing the 100-hour employment rule and increasing the resource limit to \$2,500. Recipients can also own one vehicle worth up to \$10,000 and can save up to \$10,000 in an Individual Development Account.

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They can keep earned income of children attending school, and interest and dividends of up to \$400 per year.

FIA requires parents to participate in a family skill training program when appropriate. It increases the amount of child support passed through to AFDC recipients incrementally to 100 percent, and requires extensive information for paternity establishment.

South Carolina's second request was received on June 12, 1995 and granted on May 3, 1996.

SOUTH DAKOTA:

South Dakota is initiating its "Strengthening of South Dakota Families Initiative" that encourages welfare recipients to undertake either employment or education activities. The program assigns AFDC participants to either an employment or education track that enables them to move from dependency to self-sufficiency. Individuals enrolled in the employment track will receive up to 24 months of AFDC benefits; those participating in the education track will receive up to 60 months of AFDC benefits.

Upon completion of either track, participants will be expected to find employment, or failing that, will be enrolled in approved community service activities. Individuals who refuse to perform the required community service without good cause will have their benefits reduced until they comply. In addition, in conformance with the food stamp program, AFDC benefits can be denied to any family in which an adult parent quits a job without good cause. The sanction period will last three months, or until the parent acquires a comparable job.

The demonstration also enacts new rules pertaining to the employment and earnings of children receiving AFDC. Under current law, income earned by children can reduce the family's overall AFDC payment. The South Dakota demonstration will disregard such earnings for children who are attending school at least part-time. Children will be permitted to have a savings account of up to \$1,000.

South Dakota's request was received Aug. 6, 1993, and granted March 14, 1994.

TENNESSEE:

Most "Families First," provisions will be implemented statewide. The state will limit the amount of time a family may receive AFDC benefits to a total of 60 months, for periods of 18 months at a time, with certain exceptions. All demonstration participants must sign a Personal Responsibility Plan (PRP) outlining employment and training requirements, pledging cooperation with child support enforcement provisions and regular school

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attendance and appropriate immunizations for children. Most adults will be required to spend 40 hours per week in work and work-related activities, such as education, training, or job search. If child care is not available, the parent will be exempt from the work requirement and the time limit for those periods.

AFDC benefits will be not be increased for children conceived while the family is receiving AFDC, with exceptions for cases of rape, incest and the first born of minors. To encourage family formation, "Families First" extends benefits when recipients marry by allowing mothers or fathers to work more than 100 hours a month without losing eligibility. Unmarried minor parents without a high school diploma or equivalent must be enrolled in school or an alternative activity approved by the state.

Two additional components will be implemented in selected geographic areas. In six urban and six rural counties, families can establish Individual Development Accounts of up to \$5,000. A "Responsible Fatherhood" project in Davidson County will provide counseling, education, training, employment and family-related services to fathers to increase their involvement and financial support for their children.

To encourage independence, the state will increase the family's resource limit, disregard the first \$4,600 of equity value of a motor vehicle, and disregard up to \$5,000 placed in a special account for entrepreneurial activities. Child care and Medicaid transitional benefits will be extended for up to 18 months.

The state will apply different sanction policies for noncompliance with various aspects of the PRP. Failure to comply, without good cause, with the employment-related or child support provisions will result in ineligibility for an AFDC benefit for the entire family, until compliance. Failure to comply with immunization and school attendance requirements for children will result in a 20 percent reduction in AFDC benefits, until compliance. Quitting a job without good cause will result in loss of AFDC eligibility for three months. Fraudulent attempts to collect AFDC benefits from two states simultaneously will result in ineligibility for cash benefits for 10 years.

Families who lose AFDC eligibility solely as a result of demonstration provisions, such as whole family sanctions or the time limit, will continue to receive the Medicaid benefits they would otherwise be eligible to receive.

Tennessee's request was received on May 1, 1996, and approved on July 25, 1996.

TEXAS:

"Promoting Child Health in Texas" requires the parents or guardians of children receiving Aid to Families with Dependent Children to show proof of age-appropriate immunizations, or face benefit reductions. The state is also expanding opportunities

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for children to receive vaccinations in Department of Human Services' offices.

Texas' waiver was received on April 11, 1995, and approved on July 31, 1995. Upon implementation of "Achieving Change for Texans" (ACT), described below, the provisions of "Promoting Child Health in Texas" will be incorporated into ACT.

"Achieving Change for Texans (ACT)," requires Aid to Families with Dependent Children (AFDC) recipients to sign a Personal Responsibility Agreement. The agreement requires them to attend school if they are under 19, cooperate with child support collection and paternity establishment efforts, abstain from using drugs and abusing alcohol, provide health checkups and immunizations for their children, and ensure that their children attend school. The agreement also requires recipients to participate in an activity that helps them become independent, such as an education, training, or literacy program, volunteer service, or community work. They may also be required to attend parenting classes. There are sanctions for failure to comply.

ACT sets variable time limits for adult recipients' cash AFDC benefits, based on education and work experience of adult recipients. The demonstration includes exemptions for those who cannot work and extensions for severe personal hardship for those who live in economically distressed areas. Families will retain Medicaid benefits if AFDC benefits are terminated upon reaching the time limit. ACT also increases income disregards and the amount of resources a family can accrue.

Two components of ACT will be tested in several counties. Applicants in Fort Bend County facing an economic crisis may receive a one-time payment of \$1,000 in lieu of benefits. They are then barred from AFDC receipt for 12 months. In Lubbock, Gregg, Harrison and Upshur counties, families will be allowed to set up Individual Development Accounts of up to \$10,000. They will be able to use the funds only for education, training, home ownership, business start-up, or medical expenses.

Texas' second waiver was received on October 6, 1995, and approved on March 22, 1996.

UTAH:

Utah is extending its "Single Parent Employment Demonstration" project (SPED), which mandates greater participation in work preparation program, allows recipients to retain higher monthly earnings without affecting their welfare cash benefits, and allows a one-time payment for basic or special needs to prevent people from needing to rely on welfare.

Another provision allows a family's AFDC cash benefits to be terminated if, after repeated efforts to encourage compliance and gradual sanctions, parents fail to comply with education, training and work preparation requirements. It also extends transitional services and some Food Stamp benefits from one to

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two years after leaving AFDC for work.

Utah's waiver request was received on May 17, 1995, and approved on July 31, 1995.

Under further amendments to SPED, children must attend school regularly, and preschool children must receive immunizations, unless there are religious objections.

To simplify the definition of household, all related persons in the household and all their incomes will be included in the case unit.

To help more families move off welfare, heads of households who have been barred from Aid to Families with Dependent Children (AFDC) payments because of fraudulent activity will be eligible to receive help in finding and keeping employment if their children are still receiving AFDC payments.

Finally, income rules will be simplified to require families to report only monthly income fluctuations that exceed \$100, an increase from \$25 under current rules.

Utah's second waiver request was received on February 7, 1996, and approved on July 25, 1996.

VERMONT:

Vermont's "Family Independence Project" (FIP) promotes work by enabling AFDC recipients to retain more income and accumulate more assets than is normally allowed. FIP also requires AFDC recipients to participate in community or public service jobs after they have received AFDC for 30 months for most AFDC families, 15 months for families participating in the unemployed parent component of AFDC. Current child support payments will now go directly to families entitled to them.

Vermont's request was received Oct. 27, 1992, and granted April 12, 1993.

VIRGINIA:

Virginia's first demonstration, the "Welfare Reform Project," encourages employment by identifying employers who commit to hire AFDC recipients for jobs that pay between \$15,000 and \$18,000 a year and by providing additional months of transitional child care and health care benefits. A second statewide project will: enable AFDC families to save for education or home purchases by allowing the accumulation of up to \$5,000 for such purposes; encourage family formation by changing the way a stepparent's income is counted; and allow full-time high school students to continue to receive AFDC benefits until age 21. Further, in up to four counties, AFDC recipients who successfully leave welfare for work may be eligible to receive transitional benefits for

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child and health care for an additional 24 months, for a total of 36 months. In one location, Virginia will offer a guaranteed child support "insurance" payment to AFDC families who leave welfare because of employment to assist the family in maintaining economic self-sufficiency.

Virginia's request was received July 13, 1993, and granted Nov. 23, 1993.

To keep families in crisis from going on welfare, the "Virginia Independence Program" (VIP), the state's second demonstration, will offer AFDC-eligible applicants up to 120 days worth of benefits in one payment with the stipulation that they cannot receive any more AFDC benefits for at least 160 days. The state also will require unmarried minor parents to live with a parent or responsible adult, will deny additional benefits to children born to a family on AFDC, and will impose financial sanctions on families whose children do not receive preschool immunizations or comply with school attendance standards. If a caretaker relative does not assist in establishing paternity for a child born out-of-wedlock, the family's entire AFDC benefit can be terminated until the relative cooperates with the state.

VIP also contains two components: "Virginia Initiative for Employment Not Welfare" (VIEW) and "Full Employment Program" (FEP). The VIEW program, to be phased in over four years, applies only to cases with non-exempt adult recipients. Such recipients must sign an Agreement of Personal Responsibility or risk the termination of AFDC cash benefits. Cash benefits will be limited to 24 cumulative months for cases headed by employable caretakers. During this period, adults must participate in training of employment-related activities. Earned income will be disregarded if earnings plus the AFDC allotment do not exceed the Federal Poverty Guidelines.

VIEW participants who cannot find unsubsidized employment can take part in FEP, which allows the state to fund private sector subsidized employment by combining AFDC benefits with cashed-out food stamp benefits.

The request for Virginia's second demonstration, which will operate for eight years, was received Dec. 2, 1994, amended March 28, 1995, and approved July 1, 1995.

WASHINGTON:

Washington's "Success Through Employment Program" (STEP), sets time limits on Aid to Families with Dependent Children (AFDC) by progressively reducing benefits after a family has received assistance for four years in a five year period. After four years, the grant will be reduced by 10 percent, and by another 10 percent for each additional year thereafter.

To encourage two-parent families to obtain employment, STEP will waive the requirement that the principal wage earner in a two-

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parent family work fewer than 100 hours per month for the family to qualify for AFDC.

Washington's waiver request was received February 1, 1995, and approved September 29, 1995.

WEST VIRGINIA:

West Virginia's "Joint Opportunities for Independence" (JOIN) program helps adults in two-parent families gain work experience with private employers and provides a travel expense stipend and an income disregard. Employers who provide work experience positions to JOIN participants would pay individuals \$1.00 per hour for work and travel expenses.

The state will provide child care when both parents participate in program activities. Fiscal sanctions will be imposed on families who fail to participate in JOIN.

West Virginia's application was received on April 11, 1995, and approved on July 31, 1995.

WISCONSIN:

Wisconsin's reform plan, "Work Not Welfare," will require that most AFDC recipients either work or look for jobs. The plan provides case management, employment activities and work experience to facilitate employment. Receipt of AFDC benefits will be limited to 24 months in a four-year period, except under certain conditions, such as an inability to find employment in the local area due to a lack of appropriate jobs. Upon exhaustion of benefits, recipients become ineligible for 36 months.

With exceptions, children born while a mother receives AFDC will not be counted in determining a family's AFDC grant. In addition, child support will now be paid directly to the AFDC custodial parent in cases where the funds are collected by the state.

Wisconsin's request was received July 14, 1993, and granted Nov. 1, 1993.

In addition, under Wisconsin's AFDC Benefit CAP (ABC) Demonstration Project, no additional benefits will be provided to existing Aid to Families with Dependent Children cases due to the birth of a child, with exceptions, although additional children will remain eligible for Medicaid benefits and food stamps. All AFDC recipients will be offered family planning services and instructions on parenting skills. The new rule goes into effect ten months after the demonstration is implemented.

For this waiver, Wisconsin's application was received on Feb. 9, 1994, and approved on June 24, 1994.

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Under Wisconsin's statewide "Pay for Performance" (PFP) project, AFDC applicants must meet with a financial planning resource specialist to explore alternatives to welfare. Failure to do so without good cause results in denial of eligibility for AFDC benefits for all members of the family.

Individuals who still want to apply for AFDC after meeting with the financial planning resource specialist must complete 60 hours of JOBS activities prior to approval for AFDC. At least 30 of the 60 hours must include contact with employers. Not completing this requirement without good cause will result in denial of AFDC benefits for all members of the family.

Recipients who do receive AFDC will be required to participate in JOBS for up to 40 hours per week. For each hour of non-participation, the AFDC grant will be reduced by the Federal minimum wage. If the AFDC grant is fully exhausted, the remaining sanction will be taken against the Food Stamp allotment. If hours of participation fall below 25% of assigned hours without good cause, no AFDC grant will be awarded and the Food Stamp amount will be \$10.

Wisconsin's waiver was requested April 18, 1995 and approved August 14, 1995.

WYOMING:

Wyoming's reform plan will encourage AFDC recipients to enroll in school, undertake a training program, or enter the workforce. Wyoming's plan will allow AFDC families with an employed parent to accumulate \$2,500 in assets, rather than the current ceiling of \$1,000.

Wyoming will promote compliance with work and school requirements with tough penalties: AFDC minor children who refuse to stay in school or accept suitable employment could have their monthly benefit reduced by \$40; and adult AFDC recipients who are required to work or perform community service, but refuse to do so, face a \$100 cut in their monthly benefit. Also, Wyoming will severely restrict eligibility for adults who have completed a post-secondary educational program while on welfare, and will deny payment to recipients who have confessed to or been convicted of program fraud until full restitution is made to the state.

Unemployed, non-custodial parents of AFDC children who are not paying child support can now be ordered, by the courts, into Wyoming's JOBS program.

Wyoming's request was received May 20, 1993, and granted Sept. 7, 1993.

Wyoming's amendments to "New Opportunities and New Responsibilities" demonstration project were the second waiver approved under President Clinton's "fast track" approval initiative. The state will require minor, unmarried parents to

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reside in the household of a parent, legal guardian, or other adult relative, or in an adult-supervised living arrangement. Protective payments will be made to the responsible adult. In addition, teen parents will be required to attend full-time education classes. A penalty of \$100 per month will be applied for failure to comply.

Wyoming's second request was received May 29, 1996, and granted June 26, 1996.

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Child Support Enforcement Nineteenth Annual Report to Congress

For the Period Ending September 30, 1994

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Office of Child Support Enforcement**



Table 1

**FINANCIAL OVERVIEW
FOR FIVE CONSECUTIVE FISCAL YEARS**

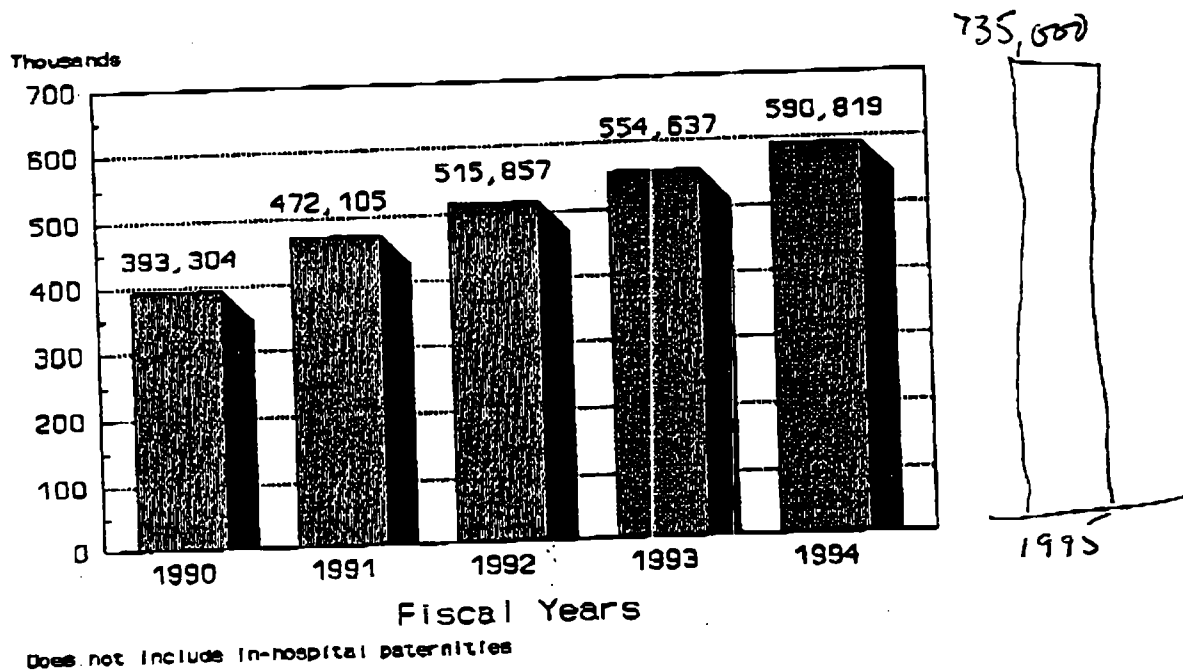
(\$000)

	1990	1991	1992	1993	1994
TOTAL IV-D COLLECTIONS	\$6,010,125	\$6,885,619	\$7,966,522	\$8,907,332	\$9,868,940
AFDC/FC COLLECTIONS	1,750,125	1,983,962	2,258,844	2,416,263	2,557,823
STATE SHARE	620,001	699,647	786,758	867,254	892,687
FEDERAL SHARE					
(USING ESTIMATED INCENTIVES)	532,737	625,601	737,938	776,542	764,775
(USING ACTUAL INCENTIVES)	537,916	608,900	697,869	752,130	796,699
PAYMENTS TO AFDC FAMILIES	333,727	381,150	434,783	445,710	460,796
INCENTIVE PAYMENTS					
ESTIMATED	263,660	277,564	299,366	339,217	407,244
ACTUAL	258,481	294,265	339,434	363,629	375,318
MEDICAL SUPPORT PAYMENTS	0	0	0	7,541	32,321
NON-AFDC COLLECTIONS	4,260,000	4,901,657	5,705,678	6,491,069	7,311,117
TOTAL IV-D ADMINISTRATIVE EXPENDITURES	\$1,606,065	\$1,804,104	\$1,994,691	\$2,241,094	\$2,556,372
STATE SHARE	545,192	592,520	651,807	724,680	815,716
FEDERAL SHARE	1,060,872	1,211,584	1,342,884	1,516,614	1,740,655
TOTAL PROGRAM SAVINGS (USING ESTIMATED INCENTIVES)	(\$189,666)	(\$201,292)	(\$170,630)	(\$278,081)	(\$491,666)
STATE SHARE	338,469	384,691	434,317	461,991	484,215
FEDERAL SHARE	(528,135)	(585,983)	(604,947)	(740,072)	(975,880)
TOTAL PROGRAM SAVINGS (USING ACTUAL INCENTIVES)	(\$189,666)	(\$201,292)	(\$170,630)	(\$278,081)	(\$491,666)
STATE SHARE	333,290	401,392	474,385	486,403	452,289
FEDERAL SHARE	(522,956)	(602,684)	(645,015)	(764,484)	(943,955)
TOTAL FEES AND COSTS RECOVERED FOR NON-AFDC CASES	\$22,235	\$33,868	\$29,187	\$31,260	\$33,248
COST-EFFECTIVENESS RATIOS					
TOTAL/TOTAL	3.74	3.82	3.99	3.97	3.86
AFDC/TOTAL	1.09	1.10	1.13	1.08	1.00
NON-AFDC/TOTAL	2.65	2.72	2.86	2.90	2.86

Source: OCSE FINANCIAL DATA AS REPORTED BY THE STATES.

Note: TOTAL PROGRAM SAVINGS REMAIN THE SAME REGARDLESS OF WHETHER ESTIMATED OR ACTUAL INCENTIVE PAYMENTS ARE USED. THE COST-EFFECTIVENESS RATIO IS TOTAL COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES.

Paternalities Established



The establishment of a child's paternity is a prerequisite for establishing an order for child support. A record 590,819 children had their paternity established by the child support program in FY 1994. This represents an increase of almost 7 percent over the previous year and a cumulative 50 percent increase over the last five years.

The 7 percent increase in paternalities established between fiscal years 1993 and 1994 is somewhat smaller than the increase of 8 percent seen between fiscal years 1992 and 1993. However, these data do not include paternalities established through voluntary "in-hospital" programs where the case is not part of the IV-D caseload; these data are being reported beginning in FY 1995.

**FACSIMILE TRANSMISSION**

**ADMINISTRATION FOR CHILDREN AND FAMILIES
OFFICE OF THE DEPUTY ASSISTANT SECRETARY
FOR POLICY AND EXTERNAL AFFAIRS
370 L'ENFANT PROMENADE, S.W.
WASHINGTON, D.C. 20447**

DATE:**TO:****Name:** *Andy Harrison***Organization:****Telephone:** *456-5578***Fax:** *456-7431***Number of Pages (excluding cover):** *38*

FROM:*Don Williams***Name:**~~*Ann Rosewater*~~**Deputy Assistant Secretary
for Policy and External Affairs****Telephone:** (202) 401-5180**Fax:** (202) 205-3848

MESSAGE: