

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

9/4

Dina -

Here are the changes  
we faxed over today.

I'll check in with you  
tomorrow morning. In  
my absence, Laura will  
be ~~backing~~ me up until I  
return Monday.

Thanks,

Wendy



**Executive Office of the President of the United States  
Office of Management and Budget**

*Office of Information and Regulatory Affairs  
Human Resources and Housing Branch  
New Executive Office Building  
Room 10235  
Washington, DC 20503*

**FAX TRANSMITTAL**

FAX: 202-395-6974

DATE: \_\_\_\_\_

TO: Maddy

FROM: Wendy

Total number of pages (Including Transmittal Sheet):

29

Recipient's Fax Number:

401-4902

Recipient's Telephone Number:

\_\_\_\_\_

Comments:

OMB Comments on State Plan Guidance.

I'll call you in the morning. If you have questions,

leave a message on my voice mail. One overall comment—

We suggest revising all bullets to be listed as questions.

Statements such as "describe" and "specify" come across  
as requirements and appear prescriptive. We have  
suggested changes in a few areas but recommend that all  
be changed.

need to  
add OMB # +  
expiration  
date

## STATE PLAN GUIDANCE

### TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

#### BACKGROUND

On August 22, 1996, President Clinton signed one of the most important pieces of social legislation enacted in the last 60 years. It gives States the historic opportunity to transform the welfare system into one that promotes work and responsibility. The legislation gives States the flexibility to design and implement a work-oriented program that responds to the specific needs of their communities and residents. With this opportunity comes the need for strategic planning and the development of a well-thought-out, comprehensive State plan. This document is a guide for States to use in preparing a State plan to implement the TANF program. It also reviews the State plan requirements of title IV-A of the Social Security Act, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193.

#### EFFECTIVE DATE OF TANF

States are required to implement the provisions of the new law by July 1, 1997. However, if a State wishes to accelerate implementation, it may, at any time, submit to its appropriate Regional Office a State plan to administer and operate the TANF program.

#### DETERMINING AN IMPLEMENTATION DATE

Financial Considerations A State may begin to draw down its block grant only once the Secretary has found the State's plan to be complete, although funding will be retroactive to the date of receipt of the plan. Until it begins implementing the new statutory provisions, a State will remain subject to the requirements of the AFDC, EA and JOBS statutes and will receive funding under those statutes. A State is only authorized to receive a total of Federal obligations under the AFDC statute for FY 97 that do not exceed an amount equal to what the State family assistance grant would be under the new block grant.

9 In States with reduced caseloads, expenditures under the AFDC, EA and JOBS programs may be less in FY 97 than the amounts the States would receive under the new block grant. Thus, it may be financially advantageous for some States to opt to accelerate their effective date in either FY 96 or FY 97. For such States, the legislation sets out a formula for determining the amount of total Federal obligations the State may receive under the new block grant program in each year of eligibility.

In FY 1997, the total Federal obligations to a State will be (1) any AFDC and JOBS

expenditures during that portion of the year in which they are still in effect, plus (2) the State family assistance grant, multiplied by 1/365 of the number of days the TANF plan is in effect in FY 1997, to the degree that it does not exceed the total State family assistance grant.

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

We recognize that the time frame for implementing these significant changes is short. Therefore, we encourage States that submit plans early to subsequently begin an in-depth planning process, as discussed below, and submit amendments to their plans.

## STATE PLAN REQUIREMENTS

As required under section 402(a) of the Social Security Act, as amended, a State must submit a plan every two years that the Secretary of the Department of Health and Human Services has found to include an outline of its TANF program and certain, specified certifications. Attachment A lists the State plan requirements of the statute.

Phase-in of Plans Under the statute, the program can vary in different areas within the State. Because of this, States can phase-in implementation of the plan, and the new provisions do not have to be in effect in all parts of the State by the State's effective date, <sup>(although the plans must be in place statewide by ~~the~~ July 1, 1997 but will be subject to block grant funding.</sup>

Frequency of Submittal States are required by the statute to submit plans every two years. Amendments to keep the plan current may be submitted whenever the State wishes to make changes in the administration or operation of the program. As a convenience to everyone who has an interest in the plan, we will develop a method of notating plan pages in some way that will permit identification of up-to-date plan provisions.

specify what this is

Plan Format The new State plan should be an improvement over the old in that it should be easy to read and should give everyone, including the general public, a better picture of how the program will provide assistance to needy families, strengthen families, and help families to become self-sufficient through work. To facilitate this, and to ensure that States address the areas required by the statute, we have developed an outline and questions in Attachments B and C which may be useful to States in developing their plans. States may submit their plans in the format of their choosing. However, we suggest that States use the forms in Attachment B for the required certifications.

make clear this is guidance

Sharing Additional Information In recognition of our partnership with States, we would like States to share with us their operating instructions or program manuals along with their State plans. These will not be part of the State plan, but will give us the additional information we need as a learning tool, and for the purpose of facilitating the sharing of information.

not  
required

## PLANNING

Basis for Need This new legislation provides an extraordinary opportunity for States to strengthen and refocus their welfare program. Since it requires changes in vision, in philosophy, and in the design and delivery of services, comprehensive planning is especially critical. The State plan <sup>can</sup> be the vehicle for the State to articulate its vision and strategy, and <sup>will</sup> identify the services necessary to respond to the needs of families within the State. We believe that a thoughtful, collaborative, strategic planning process is the best way to develop a comprehensive plan that promotes work and strengthens families.

tone  
down

Outreach and consultation with an array of partners can help States develop of new and more effective service approaches, assess family and community needs, identify service overlaps and gaps, identify available resources (expertise, money, facilities, staff) that might help to meet needs, and develop strategies for common application forms, or simplified case management procedures across programs. Such efforts <sup>can</sup> also facilitate the development of varying program designs within the State to meet the specific needs of local communities.

Broad Involvement Key partners in the process <sup>for</sup> should be:

- ▶ State and local public agencies, non-profit private agencies, charitable organizations, religious organizations, and other community-based organizations;
- ▶ employers and other business and industry leaders;
- ▶ State and local agencies administering programs such as employment programs, housing, education, SSI, Child Support Enforcement, child welfare, Food Stamps, WIC, the Social Services Block Grant, the Community Services Block Grant, and the Child Care and Development Block Grant;
- ▶ Regional office staff;
- ▶ representatives of Indian Tribes;
- ▶ parents and other consumers; and
- ▶ representatives of professional and advocacy organizations, including foundations and national resource centers with the expertise to assist States and

communities with job creation and placement.

Availability of Assistance HHS Regional staff are available and interested in assisting States in all aspects of planning and implementation. They can be involved in ongoing discussions, consultations, and negotiations and in the actual development of the State's plan and plan amendments. In addition, Federal guidance and technical assistance are available after the State plan has been developed and put in place.

## PUBLIC INVOLVEMENT

The State must certify to the Secretary that local governments and private sector organizations have been consulted regarding the plan and the design of services in the State, and that they have had at least 45 days to submit comments. The State also must make available to the public a summary of any plan that is submitted to the Secretary. The requirement for consultation and review also applies to any plan amendments that are developed and submitted.

*Local govt, and private sector orgs have been involved*  
We <sup>encourage</sup> expect the State to provide in its plan an <sup>description</sup> explanation of how, and to what extent, ~~the~~ <sup>public has been involved</sup>. Although many States have engaged in considerable consultation with the public in developing waiver applications, that consultation process occurred in a very different environment and under different statutory provisions. Therefore ~~we are~~ <sup>the legislation requires</sup> States to go through another 45-day comment period before submitting their TANF plans.

*has this been resolved?*

## EFFECTIVE DATE OF PLANS

Generally, the date the plan is received in the Regional Office will be the effective date of the plan. However, if it chooses, a State may submit its plan prior to when it wants to implement and establish a later effective date. *All plans must be effective no later than July 1, 1997.*

The Secretary is required to determine whether a plan is complete. It is our goal that a determination that the plan is, or is not, complete will be made within 30 days of its official submittal to the Regional Office. We will respond to the State quickly if there are any omissions, and will work with the State to remedy any problems. If a State involves the public throughout the planning process, and appropriately consults with Regional Office staff, it is unlikely that any problems will occur that cannot easily be ~~negotiated and~~ resolved. ✓

## PAPERWORK REDUCTION

The information collection in the State TANF plan is collected in accordance with sections 402, 403, 404, 407, 408, 409, 415 and 1115 of the Social Security Act, as amended.

Information received in the State plans sets forth how the TANF program will be administered and operated in the States.

→ No persons are required to respond ... and  
The response burden for this collection of information is estimated to be \*\*\*\*\* hours per response, including the time for reviewing the statute, these instructions, gathering and preparing the information, and reviewing the information. ✓

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

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

## INQUIRIES

Inquiries should be addressed to the appropriate Regional Administrator, Administration for Children and Families.

**ATTACHMENTS:** (A) Summary of statutory requirements.  
(B) Suggested State plan format.  
(C) Checklist.

## EMPLOYMENT SERVICES

*Make clear  
this is guidance/  
optional  
(meant to give as  
guidance as Sts.  
prepare  
their  
plans)*

Section 402(a)(1)(A)(i) of the law provides that States "[c]onduct a program...that...provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient."

### I. PROMOTING WORK

#### A. Work Activities

What work activities does the State intend to use to meet required participation rates?  
Permissible work activities include:

*(with certain restrictions)*

- ▶ Unsubsidized Employment
- ▶ Subsidized Private Sector Employment
- ▶ Subsidized Public Sector Employment
- ▶ Work Experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector work is not available
- ▶ On-The-Job-Training
- ▶ Job Search and Job Readiness Assistance
- ▶ Community Service Programs
- ▶ Vocational Educational Training (not to exceed 12 months with respect to any individual)
- ▶ Job Skills Training directly related to employment
- ▶ Education directly related to employment work, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- ▶ Satisfactory Attendance at Secondary School or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- ▶ The Provision Of Child Care Services to an individual who is participating in a community service program

## B. Preparing For Work

- ▶ What criteria will the State use to determine if a parent or caretaker is ready to engage in work before 24 months?
- ▶ Will the State require parents or caretakers to participate in community service employment if they have received assistance for 2 months, are not exempt from the work requirements and are not engaged in work? If yes, how will the program work? (Note: the requirement is effective one year after the date of enactment. If the State does not intend to make this a requirement, the governor will be required to indicate that decision in writing to the Secretary.)
- ▶ Explain <sup>does</sup> What "satisfactory attendance" means for teen heads of households who attend secondary school (or its equivalent) or education directly related to employment?
- ▶ How does the State define "making progress" for 2-parent families engaged in work?

## C. Exemptions

- ▶ ~~Who~~ <sup>single parents with children under the age of 12 months</sup> will the State exempt from the work requirement?  
~~to the State's plan why?~~

## D. Employment Placement Program

- ▶ What employment placement services will the State provide?

# II. GOALS AND PROCESSES

## A. Goals

What are the State's numerical goals for participation in work activities and for placements?  
<sup>particularly with respect to the required work rates</sup>

B. Assessment

- ▶ Within what period of time will the State make an initial assessment of the skills, prior work experience and employability of individuals who are receiving benefits as of the effective date of this program? (The law permits up to 180 days)
- ▶ Within what period of time will the State make an initial assessment of the skills, prior work experience and employability of any other recipient of assistance? (The law permits up to 90 days.)

C. Redetermination for AFDC Recipients

- ▶ Will the State wait until redetermination before considering an individual who began receiving assistance under part A prior to the implementation of TANF as a TANF recipient for the purposes of calculating time requirements? (NOTE: Authority to wait until redetermination is under review by OGC)

D. Individual Responsibility Plans

- ▶ Will the State require individual responsibility plans? (If yes, please attach a sample individual responsibility plan.)

E. Penalties

- ▶ Describe the State's criteria for imposing penalties on individuals who refuse to engage in work.
- ▶ ~~Describe any penalties the State will impose for failure (without good cause) to comply with the individual responsibility plan. List good cause exceptions, if any, are allowed?~~  
If the State opts to implement ind. resp. plans, what <sup>what</sup> ~~Describe~~ any penalties the State will impose for failure (without good cause) to comply with the individual responsibility plan. List good cause exceptions, if any, are allowed? <sup>What</sup>
- ▶ Describe how the State will impose penalties on individuals who refuse to engage in work (e.g., if using a pro rata reduction, describe the methodology). Describe how the State will notify such individuals of the penalties. <sup>what</sup> List good cause exceptions, if any, does the State plan to have?
- ▶ Describe any other sanctions or penalties associated with the Temporary Assistance for Needy Families Program.
- ▶ ~~Describe how clients will be notified of the full range of good cause exceptions to which they may be entitled.~~  
if at all, will <sup>if at all, will</sup> ~~Describe~~ how clients will be notified of the full range of good cause exceptions to which they may be entitled. <sup>established by the State?</sup>

reverse order

Is HHS getting questions about this from States?  
Is this counting AFDC toward the time limit? If not, what?

phrase as questions

E. Grievance Procedures

- ▶ Describe the State's grievance procedures for resolving alleged violations for placing TANF participants in vacant positions.

*make questions*

III. SPECIAL POPULATIONS

- ▶ Describe how the State will treat any special populations under TANF. (e.g., individuals under a Tribal family assistance plan, noncustodial parents)

IV. SUPPORTIVE SERVICES

- ▶ Describe any supportive services the State will provide to help families become self-sufficient.

V. INCENTIVES

A. Payments (e.g., Bonuses, Stipends)

- ▶ Will the State pay bonuses or stipend to individuals engaging in work activities? If yes, what criteria will the State use?

B. Individual Development Accounts

- ▶ Will the State allow beneficiaries to establish individual development accounts (IDA)? Indicate the qualified purpose(s) for which IDAs can be used.

## PROVISION OF ASSISTANCE

*Section 402 (a)(1)(B)(iii) of the law requires that the State submit a written document that set[s] forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment. Given that States have flexibility in the design of the eligibility and payment process, the following guidelines may prove helpful in developing the plan.*

### I. APPLICATION AND REDETERMINATION

- ▶ Describe how needy families will access benefits and services.
- ▶ Describe the time frames for processing the application.
- ▶ Describe the frequency and method of redetermination.

*make into questions*

### II. ASSISTANCE UNIT

*Section 419(2) defines a minor child as an individual who has not attained 18 years of age; or has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training). Section 408(a)(1)(A)(i) requires a minor child to reside with a custodial parent or other adult caretaker relative.*

- ▶ Describe which individuals living in the home with the minor child must be included in the application as part of the family for the purposes of establishing eligibility and determining the amount of cash benefits.
- ▶ Section 408(a)(10) provides that a child may not be absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 or not more than 180 consecutive days. Specify the number of days a child may be absent from home and the good cause exceptions.

### III. ELIGIBILITY

*The statute is silent with regard to eligibility, levels of need, and benefit computation. States have flexibility in these areas. Suggested guidelines follow:*

A. Income And Resource Factors Of Eligibility

1. Treatment of Income

- ▶ What income levels will be used to determine eligibility for assistance?
- ▶ Describe how <sup>will</sup> the State will consider earned, unearned and in-kind income to determine eligibility and calculate benefits.
- ▶ <sup>What</sup> Describe the disregards ~~that~~ <sup>will</sup> apply to earned and unearned (including in-kind) income.
- ▶ Describe any deeming of income requirements.

2. Treatment of Resources

- ▶ What resource levels, if any, will be used to determine eligibility for assistance?
- ▶ Describe how the State will count and/or disregard resources.

B. Factors Of Eligibility Not Related To Income Or Resources

- ▶ Section 408(a)(1)(A)(ii) allows assistance to pregnant women. What criteria will the State use, if any, for covering such individuals.
- ▶ Does the State have legislation that will exempt or limit the period of prohibition of an individual who is convicted of possession, use, or distribution of a controlled substance? Refer to section 115(d) of the PRWORA.
- ▶ Will the State have deprivation criteria? If yes, please explain.
- ▶ Section 402(a)(1)(B)(ii) allows a State to pay benefits to individuals who are not citizens of the United States as defined in section 431 of the statute. <sup>PRWORA</sup> Provide an overview of how <sup>will</sup> the State will provide benefits to such individuals, if appropriate.
- ▶ Describe any other conditions of eligibility not specified in the statute.

#### IV. BENEFIT LEVELS

- ▶ What benefits will be available to eligible units?
- ▶ Will benefits be provided in the form of cash, vouchers, services, wages, or other? Refer to sections 404(g) and 104(a)(1)(B) <sup>of the PRWORA</sup> <sup>of the Soc. Sec. Act</sup>
- ▶ Describe the standard(s) for cash benefits and the basic needs included in this standard(s).
- ▶ Section 402(a)(1)(B) allows States to treat families moving into the State differently than other families under the program. If the State will treat these families differently, describe how.
- ▶ How often will assistance payments be issued in a month?
- ▶ Describe whether benefits will be issued as direct cash assistance, vouchers, or certificates. Also describe the electronic benefits transfer system, if applicable.
- ▶ Describe the method and process of recovering overpayments (e.g. uses of IRS tax intercept) and correcting underpayments to beneficiaries of the program.

*these are the same - one should be dropped*

#### V. SANCTIONS

- ▶ Describe any sanctions not included in the employment program.

#### VI. TIME LIMITS

*Section 408(a)(7)(A) <sup>Federal</sup> provides that <sup>black grant</sup> no benefits be provided to a family in which the adult has received assistance for more than 60 months, whether or not consecutive. A State may exempt up to 20 percent of the average monthly number of families for reason of hardship.*

- ▶ Describe the State's exemption criteria for the reasons of hardship or because an individual has been battered or subjected to extreme cruelty. Refer to section 408(a)(7)(C) <sup>of the Soc. Sec. Act</sup>.
- ▶ Will the State have time limits for benefits less than 60 months?

## STRENGTHENING FAMILIES

Section 101 describes the sense of Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock births is very important. In addition, the promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children. When planning in this critical area, States may consider the following:

- ▶ Section 407(b)(5) allows a State to exempt a single custodial parent who cares for a child under 12 months of age from engaging in work. ~~Describe whether or not the State will accept this option?~~ Will ✓
- ▶ Describe any programs that encourage non-custodial parents to participate in the rearing of their children.
- ▶ Describe your goals, programs, <sup>numerical targets,</sup> and initiatives to prevent or reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies. Include a description of any collaborative activities with State and local law enforcement officials, the education system, and relevant counseling services. Refer to sections 402(a)(1)(A)(v) and (vi).
- ▶ Section 402(a)(1)(A)(vi) requires a State to conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men. Please describe the program and specify when and where the program is offered.
- ▶ Section 402(a)(1)(B)(7) allows a State to establish and enforce standards and procedures to screen and identify individuals with a history of domestic violence, refer them to counseling and supportive services and waive other program requirements pursuant to a good cause determination. Describe whether or not the State will accept this option.
- ▶ Section 408(a)(4) allows States to deny assistance for teenage parents who do not attend high school or other equivalent training programs. Describe the sanction criteria if this option is take
- ▶ Section 404(i) allows States to sanction recipients for failing to ensure that minor dependent children attend school. Describe the sanction criteria.

Turn all  
into  
questions

- ▶ Section 404(j) allows States to sanction a family that includes an adult who is older than age 20 and younger than age 51, if such a person does not have, or is not working towards/attaining, a secondary school diploma or its equivalent. Describe sanction criteria and exceptions to this requirement. ✓

- ▶ Describe Family Preservation strategies and programs.

— This is  
already reported  
in State Plan for  
IV-B.

## ADMINISTRATION

*Section 402(a)(1)(A)(i) permits States to operate a Temporary Assistance for Needy Families (TANF) program that provides assistance to needy families with (or expecting) children and provide parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient. With regard to the administration of the program, section 402(a)(4) requires the specification of State agency or agencies which will administer and supervise the program. Under these provisions, States have the discretion to organize and operate the program in a manner that best serves their population. In describing the organizational and administrative structure, States should address the following areas:*

### I. ORGANIZATIONAL STRUCTURE

- ▶ What agency is responsible for the administration of the program? ✓

### II. RESPONSIBILITIES FOR DECISIONS

- ▶ If the program is county administered, ~~identify~~ which agency(ies) will be responsible for the supervision of the program and describe the role of the supervising agency?
- ▶ If the State agency has contracts with private, public, non-profit agencies, or religious organizations to administer the program, what will be their responsibilities? Describe the procedures and agreements that have been established to coordinate such efforts.

### III. PROGRAM UNIFORMITY

- ▶ Describe whether or not the State will institute uniform program policies in all political subdivision. Describe the variations in policies.

### IV. CLIENT PROTECTIONS

- ▶ Section 402(a)(1)(A)(iv) provides that the State take reasonable steps to restrict the use and disclosure of information about individuals and families receiving TANF. Describe how case information will be safeguarded and to what extent information will be disclosed.

- ▶ Section 402(a)(1)(<sup>B</sup>~~A~~)(iii) requires the State to <sup>plan</sup> ~~provide~~ <sup>explain how the State will provide opportunities</sup> for recipients, who have been adversely affected to be heard in a State administrative or appeal process. ✓

Describe the hearing process including an explanation of notice procedures and the criteria for appeal.

- ▶ Section 402(a)(5) requires that the State ~~will~~<sup>9</sup> provide each member of an Indian tribe who is domiciled in the State and not eligible for assistance under a Tribal Family Assistance Plan with equitable access to TANF assistance. Describe how the State will ensure that tribal families will have equal access to TANF assistance.

#### V. OPTIONAL USE OF GRANT

- ▶ Section 404(b)(2) allows the State to expend ~~more than 15% of the grant~~<sup>of the PRWORA</sup> ~~for~~<sup>funds</sup> enhanced information technology and computerization needed for tracking and monitoring. If the State plans to expend funds for such purposes, describe the enhanced technology and computerization that will be utilized.
- ▶ ~~Describe if the State will~~<sup>will</sup> access additional public or private funding for the program and for what purposes the funding will be spent?

#### VI. CONSULTATIONS

- ▶ Describe your process and timeframes for consulting with local governments and private sector organizations regarding the plan and design of welfare services, including at least 45 days allowed for the submissions of their comments.

Make clear that this  
is an optional format.

## CERTIFICATIONS

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

This program is known as \_\_\_\_\_

Executive Officer of the State (Name) \_\_\_\_\_

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

1. Specify which State agency or agencies will administer and supervise the program under part A in all political subdivisions of the State:  
  
\_\_\_\_\_ is (are) the agency(ies) responsible for administering the program;  
  
\_\_\_\_\_ is (are) the agency(ies) responsible for supervising the program;
2. Assures that local governments and private sector organizations:
  - (a) Have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and
  - (b) Have had at least 45 days to submit comments on the plan and the design of such services.
3. Operate a Child Support Enforcement program under the State plan approved under part D;

**CHECKLIST**  
**FOR STATE PLANS FOR THE**  
**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**  
**PROGRAM**

This checklist includes required as well as optional provisions of the Personal Responsibility and Work Opportunity Act of 1996.

Have you addressed or considered the following in your State plan:

**EMPLOYMENT SERVICES**

**I. Promoting Work**

Work Activities Defined: Section 407(d)

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

*Clarify what is required and what is optional (eg. all bolded items are required by statute)*

Preparing for Work

- ☐ Established criteria for determining whether a caretaker relative is ready to engage in work before 24 months. *State option.* Section 402(a)(1)(A)(ii))
- ☐ Established Community service employment for parents or caretaker relatives receiving assistance for 2 months who are not exempt and not engaged in work. *State option.* Section 402(a)(1)(B)(iv)
- ☐ Defined "satisfactory attendance" for purposes of counting participation for teen heads of households who attend secondary school or education directly related to employment. Section 407(c)(2)(C)
- ☐ Defined "making progress" purposes of counting participation for two-parent families engaged in work. Section 407(c)(1)(B)(i)

Exemptions from the Work Requirement

- ☐ Exempted single custodial parents who care for children under 12 months of age. *State option.* Section 407(b)(5)

- ☐ ~~Any other exemptions from the work requirements. State option. Section 407(e)(2) - refers to no sections for children under 6 w/ no childcare.~~
- ☐ Good cause exceptions from the work requirements. Section 407(e)(1)(B) --

### Employment Placement Program

- ☐ Established an employment placement program. State option. Section 404(f)

## II. Goals and Processes

### Goals

- ☐ Defined numerical goals for participation in work activities and for placements. State option. --

### Assessment

- ☐ Established period for initial assessment of individuals receiving benefits as of the effective date of this program. State option. Section 408(b)(2)(B)(i)
- ☐ Established period for initial assessment of other recipients. State option. Section 408(b)(2)(B)(ii)

### Redetermination for AFDC Recipients

- ☐ ~~Indicated~~ <sup>SP.</sup> intention regarding when to begin counting former AFDC recipients under TANF time frames. (Subject to OGC approval)

### Individual Responsibility Plans

- ☐ Required Individual Responsibility Plans. State option. Section 408(b)(2)(A)

### Penalties

- ☐ Established criteria and methodology for penalties on individuals who refuse to engage in work. Section 407(e)(1)
- ☐ Defined good cause from penalty for refusal to engage in work. Section 407(e)(1)
- ☐ Established criteria and penalty for failure without good cause to comply with Individual Responsibility Plan. Section 408(b)(3)
- ☐ Defined good cause exception from penalty for failure to comply with Individual Responsibility Plan. Section 408(b)(3)

## PROVISIONS OF ASSISTANCE

### I. Application and Redetermination

- ☐ Described how needy families will access benefits and services.
- ☐ Described the time frames for processing the application.
- ☐ Described the frequency and method of redetermination.

### II. Assistance Unit

- ☐ Defined minor child. Section 419(2)
- ☐ Defined caretaker relative. Section 408(a)(1)(A)(i)
- ☐ Described which individuals living in the home with the minor child must be included in the application as part of the family for the purposes of establishing eligibility and determining the amount of cash benefits.
- ☐ Specified the number of days a child may be absent from home and the good cause exceptions. *State option.* Section 408(a)(10)

### III. ELIGIBILITY

#### Factors Of Eligibility Not Related To Income Or Resources

- ☐ Described the criteria for covering pregnant women with no other minor children. *State option.* Section 408(a)(1)(A)(ii)
- ☐ Does the State have legislation that will exempt or limit the period an individual who is convicted of possession, use, or distribution of a controlled substance? *State option.* Section 115(d).
- ☐ Described any deprivation criteria?
- ☐ Described any other conditions of eligibility not specified in the statute.
- ☐ Provided an overview of how the State will provide benefits individuals who are not citizens of the United States as defined in section 431 of the statute if appropriate. *State option.* Section 402(a)(1)(B)(ii)

PRWORA

#### Income And Resource Factors of Eligibility

## STRENGTHENING FAMILIES

- [ ] Described whether or not the State will exempt a single custodial parent who cares for a child under 12 months of age from engaging in work. *State option.* Section 407(b)(5)
- [ ] Described any programs that encourage non-custodial parents to participate in the rearing of their children. *State option.*
- [ ] Described your goals, programs, <sup>numerical targets,</sup> and initiatives to prevent or reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies. Include a description of any collaborative activities with State and local law enforcement officials, the education system, and relevant counseling services. Refer to sections 402(a)(1)(A)(v) and (vi).
- [ ] Described the sanction criteria if the State will deny assistance for teenage parents who do not attend high school or other equivalent training programs, if appropriate. *State option.* Section 408(a)(4)
- [ ] Described the sanction criteria if the State sanctions recipients for failing to ensure that minor dependent children attend school. *State option.* Section 404(i)
- [ ] Described the sanction criteria and exceptions if the State plans to sanction a family that includes an adult who is older than age 20 and younger than age 51, if such a person does not have, or is not working towards attaining, a secondary school diploma or its equivalent. *State option.* Section 404(j)
- [ ] Described Family Preservation strategies and programs. *State option.*

## ADMINISTRATION

### I. ORGANIZATIONAL STRUCTURE

- ☐ Provided an organizational chart which shows the agency unit(s) responsible for the administration of the program.
- ☐ Described the program unit(s) that will be responsible for responding to issues and questions regarding TANF.

### II. RESPONSIBILITIES FOR DECISIONS

- ☐ Identified which agency(ies) will be responsible for the supervision of the program and describe the role of the supervising agency, if the program is county administered.
- ☐ Described the procedures and agreements that have been established to coordinate contracts and agreements between the State agency and other entities.

### III. PROGRAM UNIFORMITY

- ☐ Described whether or not the State will institute uniform program policies in all political subdivision and any variations in policies. *State option. SITE*

### IV. CLIENT PROTECTIONS

- ☐ Described how case information will be safeguarded and to what extent information will be disclosed. Section 402(a)(1)(A)(iv)
- ☐ Described the hearing process including an explanation of notice procedures and the criteria for appeal. Section 402(a)(1)(A)(iii)
- ☐ Described how the State will ensure that tribal families will have equal access to TANF assistance. Section 402(a)(5)

### V. OPTIONAL USE OF GRANT

- ☐ Described how the State plans to expend ~~more than 15%~~ <sup>funds</sup> of the grant for enhanced information technology and computerization needed for tracking and monitoring purposes, if appropriate. Section 404(b)(2)
- ☐ Described how the State will access additional public or private funding for the program and for what purposes the funding will be spent, if appropriate.

## VI. CONSULTATIONS

- ☐ Described your process and timeframes for consulting with local governments and private sector organizations regarding the plan and design of welfare services.

*Everything Below Line is Repetitive*

## PROVISIONS OF ASSISTANCE

### I. Application and Redetermination

- ☐ Described how needy families will access benefits and services.
- ☐ Described the time frames for processing the application.
- ☐ Described the frequency and method of redetermination.

### II. Assistance Unit

- ☐ Defined minor child. Section 419(2)
- ☐ Defined caretaker relative. Section 408(a)(1)(A)(i)
- ☐ Described which individuals living in the home with the minor child must be included in the application as part of the family for the purposes of establishing eligibility and determining the amount of cash benefits.
- ☐ Specified the number of days a child may be absent from home and the good cause exceptions. *State option.* Section 408(a)(10)

### III. ELIGIBILITY

#### Income And Resource Factors of Eligibility

##### TREATMENT OF INCOME

- ☐ What income levels will be used to determine eligibility for assistance?
- ☐ Described how the State will consider earned, unearned and in-kind income to determine eligibility and calculate benefits.
- ☐ Described the disregards that will apply to earned and unearned (including in-kind) income.
- ☐ Described any deeming of income requirements.

## TREATMENT OF RESOURCES

- ☐ Described what resource levels, if any, will be used to determine eligibility for assistance? *State option.*
- ☐ Described how the State will count and/or disregard resources.

## Factors Of Eligibility Not Related To Income Or Resources

- ☐ Described the criteria for covering pregnant women with no other minor children. *State option.* Section 408(a)(1)(A)(ii)
- ☐ Does the State have legislation that will exempt or limit the period an individual who is convicted of possession, use, or distribution of a controlled substance? *State option.* Section 115(d).
- ☐ Described any deprivation criteria?
- ☐ Described any other conditions of eligibility not specified in the statute.
- ☐ Provided an overview of how the State will provide benefits individuals who are not citizens of the United States as defined in section 431 of the statute if appropriate. *State option.* Section 402(a)(1)(B)(ii)

## IV. BENEFIT LEVELS

- ☐ Described benefits will be available to eligible units?
- ☐ Described if benefits will be provided in the form of cash, vouchers, services, wages, or other? *State option.* Refer to sections 404(g) and 104(a)(1)(B).
- ☐ Described the standard(s) for cash benefits and the basic needs included in this standard(s).
- ☐ Described the criteria for treating families moving into the State equally or differently than other families under the program. *State option.* Section 402(a)(1)(B)
- ☐ Described how often assistance payments will be issued in a month?
- ☐ Described the method and process of recovering overpayments (e.g. uses of IRS tax intercept) and correcting underpayments to beneficiaries of the program. *State option.*

## IV. TIME LIMITS

- ☐ Described the State's exemption criteria for the reasons of hardship or because an individual has been battered or subjected to extreme cruelty. Refer to Section 408(a)(7)(C).
- ☐ Described any time limits for benefits less than 60 months. *State option.*

**STRENGTHENING FAMILIES**

- [ ] Described whether or not the State will exempt a single custodial parent who cares for a child under 12 months of age from engaging in work. *State option.* Section 407(b)(5)
- [ ] Described any programs that encourage non-custodial parents to participate in the rearing of their children. *State option.*
- [ ] Described your goals, programs, and initiatives to prevent or reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies. Include a description of any collaborative activities with State and local law enforcement officials, the education system, and relevant counseling services. Refer to sections 402(a)(1)(A)(v) and (vi).
- [ ] Described the teenage pregnancy prevention program and the problem of statutory rape. *State option.* Section 402(a)(1)(A)(vi)
- [ ] Described whether or not the State will establish and enforce standards and procedures to screen and identify individuals with a history of domestic violence, refer them to counseling and supportive services and waive other program requirements pursuant to a good cause determinations. *State option.* Section 402(a)(1)(B)(7)
- [ ] Described the sanction criteria if the State will deny assistance for teenage parents who do not attend high school or other equivalent training programs, if appropriate. *State option.* Section 408(a)(4)
- [ ] Described the sanction criteria if the State sanctions recipients for failing to ensure that minor dependent children attend school. *State option.* Section 404(i)
- [ ] Described the sanction criteria and exceptions if the State plans to sanction a family that includes an adult who is older than age 20 and younger than age 51, if such a person does not have, or is not working towards attaining, a secondary school diploma or its equivalent. *State option.* Section 404(j)
- [ ] Described Family Preservation strategies and programs. *State option.*

## ADMINISTRATION

### I. ORGANIZATIONAL STRUCTURE

- ☐ Provided an organizational chart which shows the agency unit(s) responsible for the administration of the program.
- ☐ Described the program unit(s) that will be responsible for responding to issues and questions regarding TANF.

### II. RESPONSIBILITIES FOR DECISIONS

- ☐ Identified which agency(ies) will be responsible for the supervision of the program and describe the role of the supervising agency, if the program is county administered.
- ☐ Described the procedures and agreements that have been established to coordinate contracts and agreements between the State agency and other entities.

### III. PROGRAM UNIFORMITY

- ☐ Described whether or not the State will institute uniform program policies in all political subdivision and any variations in policies. *State option. SITE*

### IV. CLIENT PROTECTIONS

- ☐ Described how case information will be safeguarded and to what extent information will be disclosed. Section 402(a)(1)(A)(iv)
- ☐ Described the hearing process including an explanation of notice procedures and the criteria for appeal. Section 402(a)(1)(A)(iii)
- ☐ Described how the State will ensure that tribal families will have equal access to TANF assistance. Section 402(a)(5)

### V. OPTIONAL USE OF GRANT

- ☐ Described how the State plans to expend more than 15% of the grant for enhanced information technology and computerization needed for tracking and monitoring purposes, if appropriate. Section 404(b)(2)
- ☐ Described how the State will access additional public or private funding for the program and for what purposes the funding will be spent, if appropriate.

## VI.

CONSULTATIONS

- [ ] Described your process and timeframes for consulting with local governments and private sector organizations regarding the plan and design of welfare services.



DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES  
Office of the Assistant Secretary, Suite 600  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

August 19, 1996

Ms. Annie J. Goodson  
Acting Commissioner  
Commission on Social Services  
609 H Street, NE  
Washington, DC 20002

Dear Ms. Goodson:

I am pleased to inform you that your Welfare Reform Demonstration Special Application for waivers under section 1115 of the Social Security Act for the demonstration entitled District of Columbia's Project on Work, Employment, and Responsibility is approved upon written acceptance of the enclosed Waiver Terms and Conditions. The project period for this activity is specified in the Waiver Terms and Conditions. The title IV-A waivers necessary to implement the demonstration are identified on the enclosed listing.

The Administration believes that the Federal Government must give states the flexibility to design new approaches to their local problems, provided that these proposals meet Federal standards. We believe the District of Columbia's proposals will add to the information base for new policy directions for welfare reform.

If you have any questions regarding this approval, please contact Nehemiah Rucker, the Federal Project Officer assigned to this project. His address is: Administration for Children and Families, Office of Family Assistance, 370 L'Enfant Promenade, S.W., Washington, D.C. 20447; telephone (202) 401-9282.

I commend you and staff of the Commission on Social Services for seeking alternatives to improve the public assistance system and to assist families in becoming self-sufficient. I look forward to working with you and your agency on this important initiative.

Sincerely,

Mary Jo Bane  
Assistant Secretary  
for Children and Families

Enclosures

cc: Mr. Martin Keely  
ACF Regional Administrator

August, 1996

## WAIVER TERMS AND CONDITIONS

DISTRICT OF COLUMBIA  
PROJECT ON WORK, EMPLOYMENT AND RESPONSIBILITY

## SECTION 1: GENERAL ISSUES

- 1.0 The Department of Health and Human Services (hereinafter referred to as the Department) will grant waivers to the District of Columbia (hereinafter referred to as the District) under section 1115 of the Social Security Act, as amended, to operate the Project on Work, Employment and Responsibility (hereinafter referred to as POWER or as the demonstration) as set forth in these Waiver Terms and Conditions. The Department reserves the right, in its sole discretion, to withdraw any and all waivers granted by the Department at such time(s) that the Department determines that the District has materially failed to meet the requirements as set forth in these Waiver Terms and Conditions. The District also retains the right to terminate the demonstration.
- 1.1 Failure to operate the demonstration as approved and according to Federal and District statutes and regulations may result in withdrawal of waivers. The Federal statutes and regulations with which the District must comply in the operation of the demonstration include, but are not limited to, civil rights statutes and regulations that prohibit discrimination on the basis of race, color, national origin, disability, sex, age and religion, including Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title II of the Americans with Disabilities Act, and the nondiscrimination provisions of the Omnibus Budget Reconciliation Act of 1980. After waivers are granted, the Department reserve the right to withdraw them if agreement cannot be reached on any item(s) cited in this document as needing approval by the Department. The District also has the same right.
- 1.2 If Federal or District statutes or regulations that would have a major effect on the design and impacts of this demonstration are enacted, the Department and the District will reassess the overall demonstration and develop a mutually agreed-upon strategy for dealing with the demonstration in the context of such changes. If such a mutually agreed-upon strategy cannot be developed, each Department reserves the right, in its sole discretion, to

*cc Jeremy  
1st 5 pages  
-FYI.**-Diana  
(Return  
orig  
to me)*

withdraw any or all waivers at such time(s) as that Department determines.

- 1.3 The demonstration provisions will be implemented statewide no earlier than May 1, 1997, and no later than May 1, 1998. The implementation date of the demonstration shall be the first day on which the first case is made subject to any of the provisions of this demonstration. For cost neutrality purposes, the demonstration shall be deemed to begin on the first day of the calendar quarter (hereinafter "quarter") which includes the implementation date, but for the purpose of calculating excess costs or savings for the initial quarter of the demonstration, only costs incurred beginning with the month that includes the implementation date will be counted. The demonstration shall end no later than the last day of the 40th quarter ending after the deemed beginning date. The demonstration provisions shall be as specified in Section 2. Waivers necessary for the demonstration are approved upon acceptance by the Department and the District of these Waiver Terms and Conditions. They will become effective as of the implementation date and will remain in effect until the last day of the 40th quarter ending after the deemed beginning date, unless the project is terminated earlier.
- 1.4 Federal approval of waivers, subject to these Waiver Terms and Conditions, shall not be construed to establish any precedent that either Department will follow in the granting of any subsequent request for waivers.

## SECTION 2: IMPLEMENTATION

- 2.0 Under these Waiver Terms and Conditions, the District will operate a demonstration of POWER district wide with a random assignment evaluation conducted district wide. Current AFDC recipients and new applicants will be randomly assigned to one of three groups: 1) an experimental group which will be subject to POWER provisions; 2) a non-experimental treatment group, which will also be subject to POWER provisions; and, 3) a control group subject to the regular program rules according to the District's approved AFDC and Medicaid District Plans and approved Food Stamp Plan of Operations.

The experimental and non-experimental treatment groups together will comprise the "treatment group"; the experimental and control groups together will comprise the "research sample."

2.1 Under POWER, the District will implement the following AFDC Program provisions:

- (1) JOBS Participation: The following groups of individuals who would otherwise be exempt, will be required to work or participate in JOBS:
  - (a) parents or other relatives of a child under one year of age but not less than 12 weeks;
  - (b) those working 30 hours or more per week; and
  - (c) women who are pregnant, unless they are determined to be unable to work or participate for medical reasons.
- (2) Penalty for Refusal to Accept a Job: If an adult is fired from a job for cause, quits a job without good cause, or turns down a bona fide offer of an unsubsidized job that would provide income equal to or greater than the AFDC benefit after application of work expense deductions, then the penalty specified under the JOBS program will be applied.
- (3) Time Limit: Time limits on receipt of AFDC will be established for cases that include a parent who is able to work. Appropriate services, as specified in a contract or other similar mutual agreement, will be made available so that adults will be ready for unsubsidized employment as soon as possible before the end of the time limit.

Within the period of this demonstration, the time limit will be for 60 cumulative months from the date the family is notified it is subject to the time limit, or implementation date, whichever is later.

The time limit shall not accrue during any month in which an individual is incapacitated or disabled.

After the time limit, cash benefits to the family will cease, except as described below. Those who are unable to find a job at the end of the time limit will be provided for as follows:

For each parent in the assistance unit who is able to work, the District will develop a plan, in conjunction with the parent, which includes a time frame in which the parent is expected to become self-sufficient. The plan will outline the

expectations of the District and the parent, include appropriate referrals, stipulate JOBS program activities to be undertaken and support services to be provided during the period covered by the plan.

90 days prior (not less than 30) to the end of the time limit the individual will be informed that, under limited circumstances, he/she may apply for an extension of benefits.

*how different from other cases*

If, after the time limit has expired, the parent: 1) is not employed in the unsubsidized job which provides income at least equal to the AFDC payment standard for the family size, after application of work expense deductions, 2) has made a good faith effort to find employment, and 3) has substantially complied with employment-related program requirements while receiving cash assistance, an extension of the time limit will be granted and AFDC cash assistance provided. Extensions will be granted in increments of 12 months, and after each extension the case will be reviewed to determine if the parent continues to be eligible for further extensions.

Participation in employment or employment related activities will be required during periods of extension.

- (4) Work Incentives: For families subject to the time limit:
- (a) The \$30 and 1/3 earned income disregard will be replaced by a disregard of \$100 and 1/2 which will not be time limited.
  - (b) The vehicle asset limit will be made to correspond to the limit as defined in the Food Stamp program.
  - (c) The resource asset limit will be made to correspond to the Food Stamp asset limit.
  - (d) Transitional Medicaid benefits will be extended to 24 months.
- (5) Teen Parents: A minor unmarried parent (including pregnant minors) and a dependant child(ren) in his/her care will be required to reside in the household of a

parent, legal guardian, or other adult relative, or in an adult-supervised living arrangement. Cash assistance will be provided in the form of protective payments, where possible, to the minor parent's parent, legal guardian, or other relative.

A minor may not be required to live in a setting if, as determined by the District agency, the physical or emotional health or safety of such individual or his/her dependent child would be jeopardized or if the District otherwise determines that there is good cause for not requiring such living arrangements.

- (6) Minor Parents School Attendance Requirement: Minor parents (or pregnant minors) will be required to meet certain school attendance requirements, as defined below. Where these requirements apply the District agency will work with families to resolve any problems with participation and attendance.

Minor parents (or pregnant minors) that have 10 or more full day unexcused absences (where 2 half day absences is equal to one full day), without good cause (good cause will be as defined in District policy manuals), in any one school year will be placed in probationary status the following school year. While in probationary status the needs of the minor will be removed from consideration in calculating the AFDC monthly benefit amount, if in the previous month the minor had more than one unexcused absence without good cause.

- (7) For the purposes of Medicaid coverage, all individuals subject to the provisions of the demonstration will retain their Medicaid eligibility if they would have been eligible in the absence of these AFDC demonstration provisions. Individuals who would not have been eligible for Medicaid in the absence of the demonstration, and who are eligible in accordance with the demonstration provisions, will retain that Medicaid eligibility for so long as they remain eligible under these demonstration provisions.

- 2.2 For purposes of Quality Control, the eligibility of and amount of benefits for treatment group cases in POWER will be reviewed against the rules of the demonstration, in lieu of the rules being waived.

### SECTION 3: EVALUATION

*gets boring here*

- 3.0 The costs of approved evaluation activities will be matched by DHHS at 50 percent for the duration of the evaluation and are excluded from cost neutrality requirements. Evaluation components not approved by the Department will not qualify for Federal matching funds. Evaluation costs will include all costs necessary to carry out the approved evaluation plan, including costs for evaluation activities carried out by District and local agencies as well as those carried out by the evaluation contractor.
- 3.1 Within 60 days after acceptance by the District of these Waiver Terms and Conditions, the District will submit to the Department, for approval, a draft Request for Proposals (RFP) for a contract to conduct an evaluation of the demonstration. The RFP must specify, in sufficient detail, the objectives of the project, the evaluation design, the specific tasks to be conducted, the time frames for conducting those tasks, and a schedule and list of deliverables. The research questions to be studied, the major variables to be measured, the data collection methodology, and the major data analyses to be performed must be clearly described.

The evaluation contractor must be an entity independent of the Executive Branch of the District government (state universities qualify under this provision), and must be qualified and have experience in evaluating social experiments of the design, scale, and duration of that proposed by the District.

The RFP will also indicate that the selected contractor will be required to address in its evaluation plan any potential problems inherent in the evaluation design related to analyzing the impact of the program interventions under this demonstration and the methodology it will employ to minimize such problems. This must include methods of analysis which adjust for, or minimize, the potential influence of any factors which might bias conclusions concerning project impacts.

Possible confounding effects from other demonstrations, if any, running concurrently with POWER also must be addressed in detail. The RFP must indicate that the contractor will discuss the feasibility of evaluating the impact of individual provisions of POWER, as well as the impact of the project as a whole. The evaluation of the impact of individual provisions must be within the constraints of the existing control sample.

The RFP must indicate that the evaluation contractor will

explain how entry effects can be determined and will describe the methodology which will be employed to determine the entry effects of POWER (i.e., how POWER affects the application rate for AFDC and how that affects the AFDC caseload).

- 3.2 The selected evaluation contractor will be required to develop an evaluation plan that will be submitted by the District to the Department for approval, not later than 60 days after contract award. The evaluation plan must present the research questions to be studied, the major variables to be measured, the sources of data for these variables, the data collection procedures, and the major data analyses to be performed. The evaluation plan will specify the data that will be gathered and the analyses that will be performed.
- 3.3 For the purposes of evaluation, the District will submit to the Department for approval, not later than 30 days prior to the implementation date, a final sampling plan for AFDC cases active in the month containing the implementation date and for new AFDC applicant cases beginning with the implementation date. The plan will describe how families will be randomly assigned to the experimental and control groups (i.e., the research sample) in order to meet the objective that the families in the control group are, to the extent possible, comparable to the families in the experimental group. The plan will also describe how the evaluation contractor will monitor random assignment in order to ensure that it is carried out during the project in such a way as to prevent crossover of individuals between the experimental and control groups.
- 3.4 All AFDC cases active in the month of implementation will be randomly assigned to one of three groups: the experimental group, the control group and the non-experimental treatment group. At least 1,500 currently active cases will be assigned to the control group and at least an equal number to the experimental group.
- 3.5 Beginning with the date of implementation, all new AFDC applicant cases will be randomly assigned to the control group, the experimental group, and the non-experimental treatment group, using the same sampling ratios as were used for cases active in the month of implementation. Random assignment of new AFDC applicant cases will continue at least through the first 2 years of the demonstration and until at least 1,500 newly approved cases each have been assigned to the experimental and control groups.

- 3.6 All cases assigned to either the experimental or control group will maintain their assigned status for the full period of the demonstration as long as they reside in the District. All cases assigned to the non-experimental treatment group will maintain their assigned status for the full period of the demonstration as long as they reside in the District. Specifically, if any case loses AFDC eligibility and reapplies for AFDC at any time during the demonstration, it must retain its originally assigned status. For cases that have been randomly assigned and then split (e.g., when minor parents start their own case), the prior treatment status will be maintained for both cases and both cases will remain in the research sample. For cost neutrality purposes, split cases will be counted as one ever-assigned case and benefits for both cases will be included in determining cost neutrality. Procedures to resolve treatment assignments when AFDC cases with different assigned statuses combine must be submitted to the Department for approval in conjunction with the submission of the sampling plan described in 3.2 above. To the extent possible, the designation of an AFDC case as experimental, control, or non-research group will follow the head of the original assistance unit or household.
- 3.7 Outcome data will be collected for all cases assigned to the research sample, to the extent possible, for the duration of the demonstration, regardless of whether the cases continue to receive assistance or, with regard to applicant cases, ever receive assistance. Data stored in automated data bases available to the District, such as AFDC, Emergency Assistance, Food Stamp and Medicaid benefits and wage data, will be collected for all cases assigned to the research sample for the duration of the demonstration. Data that must be collected through surveys or other non-routine data collection efforts, such as data regarding new applicant cases denied assistance, will be collected in sufficient quantity to produce meaningful evaluation results, as specified and approved in the evaluation plan. Data collection may cease after it is determined that a family in the research sample no longer resides in the District. The District will submit, for approval, not later than 30 days prior to the implementation date, a plan to track and collect data regarding cases in the research sample that no longer receive AFDC benefits.
- 3.8 The impact evaluations will compare the experimental and control groups for statistically significant differences on selected outcome measures and, at a minimum, will test the following research questions:

- o Does the demonstration promote self-sufficiency? Outcome measures related to this question include, at a minimum: employment rates; length of employment; amount of earned income; hours worked per month; child support collections; total family income; accumulated savings.
- o Does the demonstration affect AFDC, Food Stamp, and Medicaid participation and program costs? Outcome measures related to this question include, at a minimum: incidence of AFDC and Food Stamp benefit receipt; AFDC and Food Stamp payments; exit and recidivism rates for AFDC; receipt of Medicaid services; use of child care; child care payments under section 402(g); and sanction rates, including age and race of those subject to sanctions.
- o Does the demonstration affect participation in JOBS? Outcome measures related to this question include, at a minimum: participation rates in JOBS.
- o Does the demonstration affect family structure and stability? Outcome measures related to this question include, at a minimum: marriage and separation rates; homelessness of children and adults, rate and use of foster care, status changes between AFDC-UP and AFDC-Basic.
- o Does the demonstration affect the well-being of children, including their long-term prospects for self-sufficiency? Outcome measures related to this question include: measures of child well-being such as reported child abuse and neglect, health and insurance status as in extant data available from local records and medical records, and school truancy.

With the approval of the Department, additional research questions and outcome measures may also be included.

- 3.9 To the extent that sample size allows, the impact evaluations will include the analysis of subgroups of the AFDC population with regard to the outcome measures described in 3.8. This subgroup analysis will include, but not be limited to, cases active in the month of implementation and new AFDC applicants and the characteristics of age and race.
- 3.10 The evaluation will include interim and final process studies that will describe how the parts of the demonstration were implemented and operated for both the

experimental and the non-experimental treatment groups. This study will, as appropriate, examine the following aspects of the demonstration:

- o The organizational aspects, such as the planning process; staffing structure; funding committed; level of acceptance by field staff; and methods of project implementation at various organizational levels including ongoing monitoring, oversight and problem resolution.
  - o The service aspects, such as the characteristics, roles, and training of the field staff (e.g., eligibility workers and case managers); the exemption and sanctioning process; type and duration of services provided; and timeliness and scheduling in the provision of project components and services.
  - o The contextual factors, such as the social, economic, and political forces that may have a bearing on the replicability of the intervention or influence the implementation or effectiveness of the demonstration.
  - o The differences between the experimental and control groups with regard to comparable resources, services, activities, staffing, etc.
- 3.11 The evaluation will include a cost-benefit analysis that will seek to determine whether the costs of the demonstration are justified by the benefits produced. Comparisons will be made from the viewpoint of the program participants, the various levels of government, and society as a whole. Analyses will involve quantifying program outcomes and projecting both costs and benefits into the future. Costs for all pertinent programs will be included, whether or not they are subject to the cost neutrality requirements in Section 4 of these Waiver Terms and Conditions. Data for the cost-benefit analysis will be from administrative and case records, as well as other sources to be determined by the District and the Department.
- 3.12 Additional program changes that are not applied equally to treatment and control groups or that would substantially affect the evaluation of the demonstration must be approved by the Department.
- 3.13 A final evaluation report integrating the impact study, the process study, and the cost-benefit analysis will be due 9 months after termination of the demonstration. The District will also have the evaluation contractor produce and make

available public-use data tapes, including documentation, containing data collected during the demonstration. Prior to the conclusion of the seventh quarter ending after the implementation date, the District will submit two interim reports, one for the impact study and one for the process study. Each report will cover the first 6 quarters of the demonstration. Additional reports may be proposed by the District and, subject to approval by the Department, may be considered allowable components of the evaluation of the demonstration.

- 3.14 Public release of any evaluation or monitoring reports funded under this agreement will be made only by the Department or the District. Prior to public release of such reports, the Department and the District will have at least a 30-day period for review and comment.

#### SECTION 4: COST NEUTRALITY

- 4.0 For activities prior to the implementation date specified in 1.3 above, the Federal government will match the administrative costs related to development of the demonstration project (otherwise called developmental costs) at the applicable matching rate. Such costs may include automated systems development and changes, policy procedures development, and staff training. Not later than 15 days after the District formally accepts these Terms and Conditions, the District will submit a plan, for approval by the Department, designating which administrative costs will be treated as developmental costs for purposes of this section. This section is not intended to supersede other requirements for Federal approval for administrative costs of the programs involved in the demonstration.
- 4.1 Except for costs of evaluating and developing this project (as specified in 3.0 and 4.0 above), beginning with the deemed beginning date the operation of this demonstration is to be cost-neutral to the Federal government with respect to benefit and administrative costs for AFDC, Emergency Assistance, Food Stamps, and Medicaid. For purposes of calculating cost neutrality, child care costs made under section 402(g)(1)(A)(i) and (ii) of the Social Security Act, matchable at the Federal medical assistance percentage, are considered to be AFDC administrative costs. Also, for purposes of calculating cost neutrality: a) AFDC benefit costs will be net of child support collections retained by the District; and b) overpayments recovered from AFDC cases and Food Stamp claims collected from Food Stamp households will be considered as program savings to the applicable

program.

- 4.2 Cost neutrality computations will be made by the District on a quarterly basis. These computations will determine the Federal share of excess costs or savings of the demonstration in total, as well as separately for each program, and separately for benefit and administrative costs. Excess costs or savings of the demonstration are relative to what costs would have been in the absence of the demonstration. All costs referred to in the rest of Section 4 are to be taken to mean the Federal share of costs. In the remainder of Section 4, the term "cumulative" in the context of costs will indicate that costs are to be summed for all quarters from the deemed beginning date through the quarter in question. The term "total" in the context of costs will mean that all benefit and administrative costs are to be summed for the AFDC, Emergency Assistance, Food Stamp, and Medicaid programs.
- 4.3 At least 60 days prior to the implementation date of the demonstration, the District will submit, for approval by the Department, a cost allocation plan concerning how AFDC, Emergency Assistance, Food Stamp, and Medicaid administrative costs will be determined and assigned to experimental and control cases.

#### Calculation of Excess Costs or Savings

- 4.4 The calculation of the baseline benefit and administrative costs for the experimental group described in steps (1) and (2) below will be performed to obtain separate baseline costs for benefits for each program (AFDC, Emergency Assistance, Food Stamps, and Medicaid) and administrative costs for each program. This will yield eight separate baseline costs, which will be determined cumulatively each quarter as follows:
- 1) Calculate the average cost per control group case by dividing the cumulative costs for control cases by the number of ever-assigned control cases.  
  
For purposes of calculating this average cost, Medicaid program costs for any one quarter will be limited to \$2,500 for each case.
  - (2) Multiply the average derived in step (1) above by the number of ever-assigned experimental cases. The result is the cumulative baseline cost for experimental cases, as applicable, for each program's benefit and

administrative costs.

4.5 Each quarter the total cumulative excess costs or savings will be calculated for the experimental group as follows:

- (1) For each program, for benefit and administrative costs, subtract the cumulative baseline costs, as derived in step (2) of 4.4 above, from the cumulative actual costs for those in the experimental group. This will yield a cumulative excess costs or savings figure for each program for benefits and administrative costs. If the resulting amounts are positive in value, the amount reflects an "excess cost;" if negative, the amount reflects "savings."

For purposes of calculating cumulative actual costs for those in the experimental group, Medicaid program costs for any one quarter will be limited to \$2,500 for each case.

- 2) Calculate the total cumulative excess costs or savings for the experimental group by summing the excess costs or savings derived from the eight calculations in step (1) above. In summing excess costs or savings, savings will be taken to be negative.

4.6 The total cumulative excess costs or savings for all cases will be calculated quarterly as follows:

- 1) Divide the total cumulative excess costs or savings for the experimental group derived in step (2) of 4.5 above, by the cumulative AFDC benefit costs for experimental cases to derive a single excess costs or savings ratio which is to be used to determine total cumulative excess costs or savings for all treatment cases.
- 2) Multiply the ratio derived in step (1) above by the amount of cumulative AFDC benefit costs of all treatment cases in the District. This equals the total cumulative excess costs or savings of the demonstration. Excess costs or savings will be reconciled as described in 4.7 through 4.13 below.

#### **Reconciliation of Costs or Savings**

4.7 For the period through the fourth quarter ending after the deemed beginning date the Federal government will provide Federal financial participation (FFP) and will not, during that period, recover excess costs.

4.8 Starting with the fifth quarter ending after the deemed beginning date, FFP will be limited so that the total cumulative excess costs will be recovered from the District and eliminated by the end of the demonstration. The District will not be allowed to owe the Federal government more than an allowable overage for any quarter. For each of the 5th through the 20th quarters ending after the deemed beginning date, the total allowable overage is \$10 million. The allowable overage for each of the remaining quarters is:

- 1) the total cumulative excess costs at the end of the 20th quarter (adjusted for any net amount of excess costs reimbursed in prior quarters);
- 2) multiplied by the ratio of the number of quarters remaining in the demonstration to 20.

In no case will the allowable overage be less than zero.

Reimbursement will be made for the 5th through the 40th quarters ending after the deemed beginning date such that the total cumulative Federal payments through the quarter in question will equal the lesser of:

- 1) the total cumulative actual costs or
- 2) the total cumulative actual costs, minus the total cumulative excess costs, plus the allowable overage for that quarter.

4.9 A report showing the total cumulative allowable actual costs of the demonstration to date by program and calculations of the total cumulative excess costs or savings shall be submitted to the Department within 60 days following the end of each quarter.

4.10 Within 60 days after the end of the demonstration period, a final reconciliation will be done to ensure that there are no remaining excess costs. If there are savings at the time of final reconciliation, the Department agree to authorize FFP for approved and matchable demonstration expenses to the extent that the total of such FFP provided does not exceed the amount of savings. If there are remaining excess costs at the time of reconciliation, the District agrees to repay the excess costs in equal quarterly amounts over the next four quarters. At the District's request, the final reconciliation can be adjusted for a period of up to 2 years after the termination of the project if additional cost data become available.

- 4.11 Reimbursements of Federal excess costs in accordance with 4.8 and 4.10 above, or 6.2 below, shall be made as adjustments to AFDC, Medicaid, and Food Stamp claims submitted quarterly by the District (e.g., Form ACF-231 for AFDC claims), beginning with the fifth quarter ending after the deemed beginning date. The District will send the appropriate claim forms to the agencies as required under current Federal procedures; in addition, the District will send the Federal Project officer a copy of such forms, showing adjustments made. The Department will provide the District with a methodology for appropriately allocating the costs among the affected Federal programs.
- 4.12 If, at the time costs are calculated under 4.5 and 4.6 above, the data on Medicaid costs are incomplete, then another method, approved by DHHS, of estimating Medicaid costs will be used.

#### SECTION 5: MONITORING

- 5.0 For the purpose of monitoring the demonstration, the District will submit to the Department, for review and acceptance, an interim implementation status report prepared by the evaluation contractor.

At a minimum, the District will report on critical implementation tasks necessary for the operation of the demonstration as approved, interim factors associated with outcome measures, and tasks or data necessary to support the evaluation. The report is to include findings on:

- o implementation tasks, including but not limited to: the development and implementation of automated systems required to carry out the demonstration provisions; adequate staffing levels; staff training; and issuance of revised policies and procedures;
- o interim factors related to outcomes, including but not limited to: changes in the employment take-up rate during the interim period; changes in the take-up rate of training programs; and changes in sanction rates; and
- o evaluation issues, including but not limited to: research sample attrition rate; the availability and reliability of data required to conduct analyses as proposed in the approved evaluation plan; and the adequacy of the random assignment methods implemented.

The report will cover the first 8 quarters ending after the deemed beginning date and must be submitted no later than 90 days after the end of the 8th quarter.

- 5.1 The District shall submit quarterly progress reports throughout the project period summarizing project and evaluation activities and accomplishments during the quarter as well as interim findings from the evaluation, if available, the number of demonstration participants who have reached the time-limits imposed by the demonstration, and cost neutrality reports. The cost neutrality data shall be in an integrated format approved by the Department. The quarterly monitoring reports shall indicate issues or problems and resolutions regarding the implementation of the demonstration or evaluation as approved. These reports are due no later than 60 days after the conclusion of each quarter.

Every four quarters, the quarterly progress report will be supplemented with an annual overview, summarizing the progress over the previous four quarters in implementing provisions of the demonstration and carrying out the evaluation.

#### SECTION 6: TERMINATION PROCEDURES

- 6.0 Federal financial participation in demonstration activities requiring waivers will not be provided beyond the period approved by the Department.
- 6.1 No later than 90 days after acceptance of these Waiver Terms and Conditions, the District will provide, for the Department' approval, a plan to phase down and end the demonstration to ensure there are no waiver-related Federal costs incurred beyond the period approved by the Department. All activities requiring waivers must cease on the date decided by the Department if the project is terminated prior to the end of the 40th quarter after the deemed beginning date.
- 6.2 If for any reason the demonstration is terminated either by the District or by the Department prior to recovery of all of the total cumulative excess costs (as defined in Section 4: Cost Neutrality), the District agrees to repay the Federal government for all such remaining excess costs. Repayment will be achieved through adjustments to AFDC, Food Stamp, and Medicaid grant awards. Repayments will be made in no more than eight equal payments, starting with the first quarter after completion of the phaseout.

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

OFFICE OF FAMILY ASSISTANCE

WAIVER AUTHORITY

STATE: District of Columbia

The following AFDC Program waivers are granted under the Social Security Act to allow the District of Columbia to operate the Project on Work, Employment, and Responsibility Demonstration:

Section 402(a)(1) and 402(a)(19)(A) and various provisions of the regulations at 45 CFR 205.120(a), 233.10(a)(1)(iv) and 250.11: Statewideness -- to allow the District to operate the program Districtwide for all applicants and recipients except for those assigned to the control group.

Section 402(a)(19)(C) and various provisions of the regulations at 45 CFR 250.30(b): JOBS Exemptions -- to allow the District to require work or community service of JOBS participants as set forth in 2.1(1) of the Waiver Terms and Conditions.

Section 402(a)(8)(B) and various provisions of the regulations at 45 CFR 233.20(a)(11)(iii): Earned Income Disregards -- to allow the District to impose JOBS sanctions as set forth in 2.1(2) of the Waiver Terms and Conditions.

Section 402(a): Time Limits -- to allow the District to impose time limits on the length of time AFDC benefits are paid as set forth in 2.1(3) of the Waiver Terms and Conditions.

Section 402(a)(8)(A)(iv) and (B)(ii) and various provisions of the regulations at 45 CFR 233.20(a)(11)(i)(C) and (ii)(B): Earned Income Disregards -- to allow the District to apply earned income disregards as set forth in 2.1(4)(a) of the Waiver Terms and Conditions.

Section 402(a)(7)(B)(i) and various provisions of the regulations at 45 CFR 233.20(a)(3)(i)(B)(2): Resources -- to allow the District to set the vehicle asset limit to correspond to the limit as defined in the Food Stamp program as set forth in 2.1(4)(b) of the Waiver Terms and Conditions.

Section 402(a)(7)(B) and various provisions of the regulations at 45 CFR 233.20(a)(3)(i)(B): Resources -- to allow the District to set the asset limit to correspond to the Food Stamp asset limit as set forth in 2.1(4)(c) of the Waiver Terms and Conditions.

Section 402(a)(43)(A) and various provisions of the regulations at 45 CFR 233.107(a) and (e): Minor Parent Requirement -- to allow the District to require a minor unmarried parent and a dependent child(ren) in his/her care to reside in the household of a parent, legal guardian, or other adult relative who will be the protective payee for AFDC befits, or to reside in an adult-supervised living arrangement as set forth in 2.1(5) of the Waiver Terms and Conditions.

Section 402(a): School Attendance -- to allow the District to apply a fiscal sanction when minor parents or pregnant minors fail to meet certain school attendance requirements as set forth in 2.1(6) of the Waiver Terms and Conditions.

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
HEALTH CARE FINANCING ADMINISTRATION

Waivers and Costs Not Otherwise Matchable for  
District of Columbia Welfare Reform Demonstration

Waiver

The following waiver is granted to the District:

Section 1902(a)(17) regarding Comparability, to permit the District to implement the demonstration provisions only with the treatment group, consisting of a randomly assigned experimental treatment group and a non-experimental treatment group.

Costs not otherwise matchable

Under the authority of Section 1115(a)(2) of the Social Security Act (SSA), the following expenditures made by the District for the costs identified below (which are not otherwise included as State expenditures matchable under Section 1903) shall, for the duration of this project, be regarded as expenditures under the District's Title XIX State Plan:

1. Expenditures to provide an additional 12 months of transitional Medicaid benefits to individuals who lose AFDC eligibility due to employment.
2. Expenditures for individuals who are Medicaid eligible under the demonstration and who would not have been eligible for medical assistance as an AFDC recipient under the AFDC State Plan nor for Medicaid only under the Medicaid State Plan.