

Assume not a problem state

Family Situation	TANF Bene	Cost to State	Maximum Work Schemes		Current Law
			# hours per week must work if retained CSE could count as benefit	if retained not count	How many maximum hours per wk could the state require to work + pay min wage
①					
②					
③					
④					

~~Assumes Max to 40 hours SC~~

Food St

Assumes Problem State \$700 TANF

Family Situation	TANF Benefit	Cost to State	MAXIMUM WORK SC		CURRENT LAW	
			# hours per week have to work if retained CS could not work	→ if retained could not work	If 20 hrs How much more hr will state have to spend	If 30 hrs
①						
②						
③						
④						

Child Support Retained: How it would affect hours of work required, hourly wage, or state costs		
Family Situation	Context of Current Law	"Maximum Work Hours"
Deadbeat	No change	No change
Parent pays \$100; state retains	State with no problem: Decrease hourly wage; still above min. State with a problem: Increase state spending to cover shortfall to reach minimum wage	Reduce hours — make it in a state same # w/a problem hrs as only? a pass-thru state
Parent pays \$100; state passes through and reduces grant	No change	No change
Parent pays \$100; state passes through but holds grant flat	No change	No change

Current Law

If you add new policy that CS retained
don't count toward min wage payment

Reason saw \$400 grant but gets \$400 \$50 in CS	State w/Prob		State w/o Prob	
	State Retains	State Doesn't (Passes thru + reduces)	State Retains	State Doesn't
State Perspective				
TANF 400	400	400	150	150
CS	-	50	-	50
Net avail	400	350	150	100
FS	200	200	200	200
Net avail to spt min wage	600	550	350	300
÷ 60 hr wk/mo	750 hrs/yr	6.89/hr	4.38/hr	3.75/hr
	equal		state must pay 77¢/hr more from state treas.	state must pay \$1.40/hr + from state treas.
Woman's Persp	600	600	350	350
Cash	80	80	80	80
WK	or equalize his own	+ w/c more		

Max
Minimum hours context:

TANF
 +FS
 Determines total hours worked
 - child support
 fewer hours

hours worked
 H. pay
 Deadbeat
 with CS
 & paying
 least work
 Ret CS
 stops
 at.

"Average" state with monthly TANF benefit of \$400	
Family Situation	TANF benefit
Deadbeat parent	\$400
Parent pays \$100; state retains	300 400
Parent pays \$100; state passes through and reduces grant	$300 + 100 = 400$
Parent pays \$100; state passes through but holds grant flat	$400 + 100 = 500$

Key equity prob
 Every
 month of
 work
 less 100

Net cost to state
 + negative
 with old law
 new law

Our Desired Calculation Under Current Law		
	State with no problem	State with a problem
TANF plus food stamps	\$700	\$400
Hours of work per week ^{month}	80	80
Effective hourly wage	\$8.75	\$5.00 -- state must kick in its own funds to get to \$5.15

If you Add CSR:
 policy

State Retains State Doesn't

↓
 ie: CS retained
 by & cant
 count tow
 min wg

How to address extreme case
 ↳ like def of justice prob.

What Counts as Work

The following are the work activities always permitted under the welfare law:

1. Unsubsidized employment
2. Subsidized private sector employment
3. Subsidized public sector employment
4. Work experience
5. On-the-job training
6. The first 6 weeks of job search and job readiness assistance
7. Community service programs (how different from #4?)
8. The first 12 months of vocational educational training
9. Providing child care for someone in a community service program

The following are additional work activities that can be counted from 20 to 30 hours a week:

1. Job skills training directly related to employment;
2. For those with no high school diploma, high school attendance, GED study, or education directly related to employment

RECONCILIATION ITEMS THAT WEAKEN WORK REQUIREMENTS

I. FLSA/Minimum Wage

- Work Activities Permitted -- The House proposal would allow states whose benefits levels don't support the minimum wage for the required number of hours to count work activities that current law does not permit them to count.

Up to 20 hrs: To get up to 20 hours a week, states could count any of the following activities, none of which count under current law:

- (1) job skills training directly related to employment;
- (2) education for those with no high school diploma;
- (3) job search and job readiness assistance in excess of 6 weeks (current law: the first 6 weeks always count as work); and
- (4) vocational educational training in excess of 12 months (current law: the first 12 months always count as work).

Over 20 hrs: To go from 20 to 30 hours a week, states could count any items from this same list of activities; but current law already permits activities (1) and (2) to count for hours over 20.

- Deducting child support retained by the state -- In defining the maximum number of hours of workfare participation per month, the House bill deducts child support retained by the state from welfare and food stamp benefits before dividing by the minimum wage. This is intended to prevent women from having to "work off" their own child support, but it raises a number of difficult fairness questions.

Special Note on Nickles Amendment -- This amendment is intended to ameliorate one consequence of the Labor Department's minimum wage guidance. Applying either to current law or to the House bill, it says that regardless of minimum wage requirements, states may issue sanctions against recipients. The question is whether current law already permits this, and DOL and HHS are investigating this question. For example, it may be that sanctions can be viewed as "wage garnishments" deducted after payment of the minimum wage.

One easy solution that the agencies may offer is to allow a sanction to be imposed, but at the same time to cut the hours of work required. We have to decide if that solution is unacceptable to us. We have taken no position on the Nickles amendment to date.

II. 20% Vocational Education Limit

- Current law is arguably somewhat murky on this issue. It says that "not more than 20% of individuals in all families...may be determined to be engaged in work" because of vocational education or high school attendance by teen parents. The liberal interpretation (which the Education Department urged us to embrace publicly without success) is that the cap is 20% of the entire caseload. The conservative interpretation is that the cap is 20% of those engaged in work. Therefore, measuring whether the reconciliation proposals weaken the work requirement depends on what interpretation you start with. Since teen parents attending high school "share" the 20% cap with vocational education,

and teen parents are 6% of current caseload, many argue that this leaves little or no room for vocational education. (According to CRS, one-third of teen parents have diplomas, so teen parents attending high school are 4% of current caseload -- or less, since many don't actually attend school.)

The proposals vary widely in terms of the percent of the caseload that can be in vocational education and still count as working -- from 2% to 20%.

- **Percent of Caseload that can be in vocational education and count as working:**

House Education and Workforce (strict interpretation of current law):

- FY98: 20% cap applied to the 30% required to work = 6%; less 4% teen parents = 2%
- FY02: 20% cap applied to the 50% required to work = 10%; less 4% teen parents = 6%

House Ways and Means (strict interpretation, but increase cap to 30% and take out teens):

- FY98: 30% cap applied to the 30% required to work = 9%
- FY02: 30% cap applied to the 50% required to work = 15%

Liberal Interpretation of Current Law (20% of total caseload, teens part of cap):

- FY98: 20% cap applied to total caseload, less 4% teen parents = 16%
- FY02: same = 16%

Senate (liberal interpretation, plus take out teens):

- FY98: 20%
- FY02: 20%

III. Domestic Violence Exemption

This Senate amendment would allow states to grant waivers from the 5-year time limit for victims of domestic violence in excess of the 20% cap now in the law. In addition, it would require HHS to exclude recipients with such waivers in computing state work participation rates and penalties.

The House has no such provision. We have not yet taken any position on this amendment.

- Current Law -- States may exempt up to 20% of the monthly caseload from the 5-year time limit for reasons of hardship "or if the family includes an individual who has been battered or subjected to extreme cruelty."

In addition, states have an option to certify that they have and enforce standards to identify and provide services for recipients with a history of domestic violence; and to waive program requirements "such as time limits..., residency requirements, child support cooperation requirements; and family cap provisions" when it would endanger, penalize, or put at risk such victims.

- Senate Amendment (Murray) --

- States shall not be subject to any numerical limitation in granting domestic violence waivers.

- **HHS must exclude recipients granted domestic violence waivers by a state when it determines whether a state has complied with work participation rates and enforcement of the time limit, as well as whether penalties should be imposed.**

Mississippi < 20 hours, can count:

1) job search + readiness > 6 wks

2) rec ed > 12 months

3) job skills training directly related to emp.

4) education if not HS grad

Under
old
law,
could use
to get from
20 → 30 hours

THE WHITE HOUSE
WASHINGTON

If child support retained by
state can be subtracted to
determine maximum hours of work:

Comparison on Equity

1. Retain vs pass-thru $\rightarrow$ fair -
treated equally
2. Pay cs vs. deadbeat $\rightarrow$ Deadbeat has
to work more -
not true under
current law

3,

	<u>Recips</u>	<u>Fams</u>	(19%) Get some CS-%	40% family 72	
MS	103,160	37,108	96/10	-	3711
AL	89,240	32,101	95% ⁴ /5	x.4	1605 x.4 = 642
LA	190,380	68,482	95/5	x.4	3424 x.4 = 1370
TN	175,150	63,004	99/1	x.4	630 x.4 = 252
SC	85,990	30,932	98/2	x.4	619 x.4 = 247
Ark	53,420	19,216	95/5	x.4	961 x.4 = 384
TX	592,070	212,975	97/3	x.4	6,389 x.4 = 2,556
WV	88,680	31,899	93/7	x.4	2,233 x.4 = 893

1,378,09

495,717

10,055

12.6%
welf pop

Total Families:
3,950,000

0.25%

Understated:

Some such
cases in all
states

overstated:

only welfare
~~only fam of 2~~

extra

Matt McKeary
5-085Lisa Couser
5-1150
Lauri Matlack
5-1596

MANAGER'S AMENDMENT TO BE SELF-EXECUTED IN THE RULE ON RECONCILIATION

24 June 1997

This manager's amendment consists of changes from reconciliation legislation reported to the Committee on the Budget that will be self-executed in the rule on reconciliation at the request of the Chairman of the Committee on the Budget. The manager's amendment makes the following changes from the reported legislation:

LOW-INCOME MEDICARE PREMIUM PROTECTIONS. Provides an additional \$1 billion for low-income Medicare premium protections, bringing the total to \$1.5 billion over 5 years. The provision covers the full Medicare Part B premium for seniors with incomes up to 135 percent of poverty. For seniors with incomes between 135 percent and 175 percent of poverty, the assistance covers that portion of the Medicare Part B premium increase attributable to the home health spending transfer.

MINIMUM WAGE/WELFARE-TO-WORK PARTICIPANT PROTECTIONS. Contains the following changes from the reported legislation:

Limits to no more than 40 hours per week the number of hours participants in public sector or nonprofit workfare activities can be required to work.

Counts only Temporary Assistance for Needy Families (TANF) and food stamp benefits as compensation under the minimum wage for workfare participants.

Adopts the AFDC JOBS criteria for defining work experience and community service jobs when States use workfare in the public or nonprofit sector to meet State work participation requirements, and uses the same criteria for determining whether participants are "employees" under the terms of the Fair Labor Standards Act.

Adopts worker protection and nondiscrimination provisions (preventing discrimination based on age, race, gender, and disability), but provides for an independent non-Federal grievance resolution procedure.

Incorporates worker displacement language, which applies to all workfare participants and which does not preempt stronger State displacement laws.

- ▶ **FOOD STAMP WORK SLOTS.** Eliminates "job search" as a qualified activity for additional food stamp work slot funds, and raises to 80 percent (from 75 percent) the earmarked funds for people between 18 and 50 years old who may lose food stamp benefits due to new work requirements.
- ▶ **MEDICAID.** Drops language in Medicaid section that allows only physicians to decide appropriate hospital stays. This language was added to bring the Committee on Commerce closer to compliance with its reconciliation directives.
- ▶ **CHILDREN'S HEALTH CARE.** Modifies the children's health care block grant to ensure that it complies with the Bipartisan Budget Agreement's proposed spending \$16 billion over the next 5 years.
- ▶ **MEDICAID COVERAGE FOR SSI CHILDREN.** Provides \$100 million to allow States the option of maintaining Medicaid benefits for children currently on the Medicaid rolls who would otherwise lose Medicaid eligibility because of stricter SSI eligibility standards.
- ▶ **SPECTRUM AUCTIONS.** Increases from \$9.7 billion to \$20.3 billion over 5 years the receipts due to spectrum auctions. Drops or relaxes numerous conditions specified in the Commerce Committee's reported legislation that restricted the Federal Communication Commission's ability to auction spectrum. Also specifies additional spectrum to be made available for auction.
- ▶ **WELFARE TO WORK.** Requires that all of \$3 billion in welfare-to-work funds be obligated by fiscal year 1999.
- ▶ **MULTIPLE EMPLOYER WELFARE ARRANGEMENTS.** Modifies language on Multiple Employer Welfare Arrangements to overcome jurisdictional issue between the Committees on Education and the Workforce and Ways and Means.
- ▶ **VETERANS' MEDICAL CARE.** Allow veterans hospitals to retain, subject to appropriations, medical care cost recovery receipts, so that veterans' medical care remains a discretionary program.
- ▶ **BUDGET ENFORCEMENT.** Budget process changes that are consistent with the Bipartisan Budget Agreement (see attached summary).

Prepared by THE HOUSE COMMITTEE ON THE BUDGET
MAJORITY STAFF

Budget Enforcement Provisions

The manager's amendment self-executed in the rule also adds the following budget enforcement provisions to the base reconciliation bill:

SUBTITLE A -- AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

- ▶ Permanently extends the requirement that a budget resolution cover a 5-year period.
- ▶ Extends indefinitely the enforcement, through points of order, of the 5-year spending and revenue levels set forth in budget resolutions.
- ▶ Simplifies and updates points of order that are used to enforce the spending and revenue levels in budget resolutions.
- ▶ Provides for adjustments in the budget resolution levels for legislation appropriating funds for designated emergencies, arrearsages, and the International Monetary Fund.
- ▶ Eliminates the need to waive the Budget Act for a reported bill that violates the Act but is cured by a self-executing rule. In such cases, the point of order no longer lies against the bill.

SUBTITLE B -- AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

- ▶ Adjusts and extends statutory discretionary spending limits, which are enforced through sequestration, through fiscal year 2002.
- ▶ Provides for adjustments in the discretionary spending limits for appropriations for emergencies, arrearsages, and the International Monetary Fund.
- ▶ Extends pay-as-you-go (PAYGO) requirements, which provide that entitlement and tax legislation must be fully offset, through fiscal year 2002.
- ▶ Modifies the baseline that is used to "score" legislation so that committees get credit for eliminating entitlement programs.
- ▶ Eliminates accrued PAYGO balances and savings from reconciliation to ensure that all savings are used for deficit reduction.

F:\LAJ\EW105\RECON1\AMNT.002

H.L.C.

~~AMENDMENT TO H.R. _____, AS REPORTED~~

NEW A

chan

In section 5302(a), strike subsection (c) of section
809 of the new part 8 being inserted thereby.

p 654e

In section 403(a)(5)(B)(i) of the Social Security Act, as proposed to be added by section 9001(a), strike "2000" and insert "1999".

Strike subparagraphs (H) and (I) of section 403(a)(5) of the Social Security Act, as proposed to be added by section 9001(a), and insert the following:

1 “(H) FUNDING.—The amount specified in
2 this subparagraph is \$1,500,000,000 for each
3 of fiscal years 1998 and 1999.

Redesignate subparagraph (J) of section 403(a)(5) of the Social Security Act, as proposed to be added by section 9001(a), as subparagraph (I).

Will fax
to WBO
#2

Strike subparagraph (K) of section 403(a)(5) of the Social Security Act, as proposed to be added by section 9001(a).

Strike section 9004, redesignate section 9005 as section 9007, and insert after section 9003 the following (and amend the table of contents of title IX accordingly):

1 SEC. 9004. RULES GOVERNING EXPENDITURE OF FUNDS
2 FOR WORK EXPERIENCE AND COMMUNITY
3 SERVICE PROGRAMS.

4 (a) IN GENERAL.—Section 407 of the Social Security
5 Act (42 U.S.C. 607) is amended by adding at the end the
6 following:

7 “(j) RULES GOVERNING EXPENDITURE OF FUNDS
8 FOR WORK EXPERIENCE AND COMMUNITY SERVICE PRO-
9 GRAMS.—

10 “(1) IN GENERAL.—To the extent that a State
11 to which a grant is made under section 403(a)(5) or
12 any other provision of section 403 uses the grant to
13 establish or operate a work experience or community
14 service program, the State may establish and oper-
15 ate the program in accordance with this subsection.

16 “(2) PURPOSE.—The purpose of a work experi-
17 ence or community experience program is to provide
18 experience or training ^g for individuals not able to ob-

Done?
Cuep/308

1 tain employment in order to assist them to move to
2 regular employment. Such a program shall be de-
3 signed to improve the employability of participants
4 through actual work experience to enable individuals
5 participating in the program to move promptly into
6 regular public or private employment. Such a pro-
7 gram shall not place individuals in private, for-profit
8 entities.

9 “(3) LIMITATION ON PROJECTS—THAT MAY BE
10 UNDERTAKEN.—A work experience or community
11 service program shall be limited to projects which
12 serve a useful public purpose in fields such as
13 health, social service, environmental protection, edu-
14 cation, urban and rural development and redevelop-
15 ment, welfare, recreation, public facilities, public
16 safety, and day care, and other purposes identified
17 by the State.

18 “(4) MAXIMUM HOURS OF PARTICIPATION PER
19 MONTH.—A State that elects to establish a work ex-
20 perience or community service program shall operate
21 the program so that each participant participates in
22 the program with the maximum number of hours
23 that any such individual may be required to partici-
24 pate in any month being a number equal to—

§

1 “(A)(i) the amount of assistance provided
2 during the month to the family of which the in-
3 dividual is a member under the State program
4 funded under this part; plus

5 “(ii) the dollar value equivalent of any ben-
6 efits provided during the month to the house-
7 hold of which the individual is a member under
8 the food stamp program under the Food Stamp
9 Act of 1977; minus

10 “(iii) any amount collected by the State as
11 child support with respect to the family that is
12 retained by the State; divided by

13 “(B) the greater of the Federal minimum
14 wage or the applicable State minimum wage.

15 “(5) MAXIMUM HOURS OF PARTICIPATION PER
16 WEEK.—A State that elects to establish a work ex-
17 perience or community service program may not re-
18 quire any participant in any such program to par-
19 ticipate in any such program for a combined total of
20 more than 40 hours per week.

21 “(6) RULE OF INTERPRETATION.—This sub-
22 section shall not be construed as authorizing the
23 provision of assistance under a State program fund-
24 ed under this part as compensation for work per-
25 formed, nor shall a participant be entitled to a sal-

JDS

1 ary or to any other work or training expense pro-
2 vided under any other provision of law by reason of
3 participation in a work experience or community
4 service program described in this subsection.”.

5 (b) RETROACTIVITY.—The amendment made by sub-
6 section (a) of this section shall take effect as if included
7 in the enactment of section 103(a) of the Personal Re-
8 sponsibility and Work Opportunity Reconciliation Act of
9 1996.

10 SEC. 9005. STATE OPTION TO TAKE ACCOUNT OF CERTAIN
11 WORK ACTIVITIES OF RECIPIENTS WITH SUFFI-
12 FICIENT PARTICIPATION IN WORK EXPERI-
13 ENCE OR COMMUNITY SERVICE PROGRAMS.

14 (a) IN GENERAL.—Section 407(c) of the Social Secu-
15 rity Act (42 U.S.C. 607(c)) is amended by adding at the
16 end the following:

17 “(3) STATE OPTION TO TAKE ACCOUNT OF CER-
18 TAIN WORK ACTIVITIES OF RECIPIENTS WITH SUFFI-
19 CIENT PARTICIPATION IN WORK EXPERIENCE OR
20 COMMUNITY SERVICE PROGRAMS.—Notwithstanding

21 paragraphs (1) and (2) of this subsection and sub-
22 section (d)(8), for purposes of determining monthly
23 participation rates under paragraphs (1)(B)(i) and
24 (2)(B) of subsection (b), an individual who, during
25 a month, has participated in a work experience or

Job
Search

Voc ed

(2. After limited)

1 community service program operated in accordance
2 with subsection (j), for the maximum number of
3 hours that the individual may be required to partici-
4 pate in such a program during the month shall be
5 treated as engaged in work for the month if, during
6 the month, the individual has participated in any
7 other work activity for a number of hours that is not
8 less than the number of hours required by sub-
9 section (c)(1) for the month minus such maximum
10 number of hours."

11 (b) RETROACTIVITY.—The amendment made by sub-
12 section (a) of this section shall take effect as if included
13 in the enactment of section 103(a) of the Personal Re-
14 sponsibility and Work Opportunity Reconciliation Act of
15 1996.

16 SEC. 9006. WORKER PROTECTIONS.

17 Section 407(f) of the Social Security Act (42 U.S.C.
18 607(f)) is amended to read as follows:

19 "(f) WORKER PROTECTIONS.—

20 "(1) NONDISPLACEMENT IN WORK ACTIVI-
21 TIES.—

22 "(A) GENERAL PROHIBITION.—Subject to
23 this paragraph, an adult in a family receiving
24 assistance under a State program funded under
25 this part attributable to funds provided by the

1 Federal Government may fill a vacant employ-
2 ment position in order to engage in a work ac-
3 tivity.

4 "(B) PROHIBITION AGAINST VIOLATION OF
5 CONTRACTS.—A work activity shall not violate
6 an existing contract for services or collective
7 bargaining agreement.

8 "(C) OTHER PROHIBITIONS.—An adult
9 participant in a work activity shall not be em-
10 ployed or assigned—

11 "(i) when any other individual is on
12 layoff from the same or any substantially
13 equivalent job; or

14 "(ii) if the employer has terminated
15 the employment of any regular employee or
16 otherwise caused an involuntary reduction
17 if its workforce with the intention of filling
18 the vacancy so created with the partici-
19 pant.

20 "(2) HEALTH AND SAFETY.—Health and safety
21 standards established under Federal and State law
22 otherwise applicable to working conditions of em-
23 ployees shall be equally applicable to working condi-
24 tions of participants engaged in a work activity.

7

what? — Age Disc Act
— Sec 504
— ADA
— Title VI

1 “(3) NONDISCRIMINATION.—In addition to the
2 protections provided under the provisions of law
3 specified in section 408(c), an individual may not be
4 discriminated against with respect to participation in
5 work activities by reason of gender.

6 “(4) GRIEVANCE PROCEDURE.—

7 “(A) IN GENERAL.—Each State to which a
8 grant is made under section 403 shall establish
9 and maintain a procedure for grievances or
10 complaints from employees alleging violations of
11 paragraph (1) and participants in work activi-
12 ties alleging violations of paragraph (1), (2), or
13 (3).

nondisc
estab
Nondiscr.

14 “(B) HEARING.—The procedure shall in-
15 clude an opportunity for a hearing.

16 “(C) REMEDIES.—The procedure shall in-
17 clude remedies for violation of paragraph (1),
18 (2), or (3), which may include—

19 “(i) prohibition against placement of a
20 participant with an employer that has vio-
21 lated paragraph (1), (2), or (3);

22 “(ii) where applicable, reinstatement
23 of an employee, payment of lost wages and
24 benefits, and reestablishment of other rel-

2

1 evant terms, conditions and privileges of
2 employment; and

3 "(iii) where appropriate, other equi-
4 table relief.

5 "(5) NONPREEMPTION OF STATE NON-
6 DISPLACEMENT LAWS.—The provisions of this sub-
7 section relating to nondisplacement of employees
8 shall not be construed to preempt any provision of
9 State law relating to nondisplacement of employees
10 that affords greater protections to employees than is
11 afforded by such provisions of this subsection."

In section 10617(a)(2), in the subparagraph (T) inserted by such section—

(1) strike “(or under the supervision of a physician)” and insert “(or as prescribed by a physician)”, and

(2) strike “immediately after, or at” in clause (i) and insert “at, or within 48 hours after”.

Logic - follows CWP

Howard
Emil
Farkas

Monthly

assess
retained - don't

Welf Ben 250

FS

120

370

370

CS

140

	Retain	Pass thru + reduce	Pass thru + not reduce?
Debit	400	400	
Pays 4100	400 (100)	300 + 100	

230

~~370~~

÷ 5

÷ 5

subtracting CS
⇒ fewer hrs

46

74

÷ 4

÷ 4

10

18

Jeff shouldn't have to
work it

Retain

(Pass thru)
Net Retain

W

250

250

FS

120

120

370

370

CS 140

↓

370

Elizabeth
Donohue

1 (b) RETROACTIVITY.—The amendment made by sub-
2 section (a) of this section shall take effect as if included
3 in the enactment of section 103(a) of the Personal Re-
4 sponsibility and Work Opportunity Reconciliation Act of
5 1996.

6 **SEC. 5004. RULES GOVERNING EXPENDITURE OF FUNDS**
7 **FOR WORK EXPERIENCE AND COMMUNITY**
8 **SERVICE PROGRAMS.**

9 (a) IN GENERAL.—Section 407 of the Social Security
10 Act (42 U.S.C. 607) is amended by adding at the end the
11 following:

12 “(j) RULES GOVERNING EXPENDITURE OF FUNDS
13 FOR WORK EXPERIENCE AND COMMUNITY SERVICE PRO-
14 GRAMS.—

15 “(1) IN GENERAL.—To the extent that a State
16 to which a grant is made under section 403(a)(5) or
17 any other provision of section 403 uses the grant to
18 establish or operate a work experience or community
19 service program, the State may establish and oper-
20 ate the program in accordance with this subsection.

21 “(2) PURPOSE.—The purpose of a work experi-
22 ence or community experience program is to provide
23 experience or training for individuals not able to ob-
24 tain employment in order to assist them to move to
25 regular employment. Such a program shall be de-

1 signed to improve the employability of participants
2 through actual work experience to enable individuals
3 participating in the program to move promptly into
4 regular public or private employment. Such a pro-
5 gram shall not place individuals in private, for-profit
6 entities.

7 “(3) LIMITATION ON PROJECTS THAT MAY BE
8 UNDERTAKEN.—A work experience or community
9 service program shall be limited to projects which
10 serve a useful public purpose in fields such as
11 health, social service, environmental protection, edu-
12 cation, urban and rural development and redevelop-
13 ment, welfare, recreation, public facilities, public
14 safety, and day care, and other purposes identified
15 by the State.

16 “(4) MAXIMUM HOURS OF PARTICIPATION.—A
17 State that elects to establish a work experience or
18 community service program shall operate the pro-
19 gram so that each participant participates in the
20 program with the maximum number of hours that
21 any such individual may be required to participate
22 in any month being a number equal to—

23 “(A)(i) the amount of assistance provided
24 during the month to the family of which the in-



DATE: _____

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 INDEPENDENCE AVE., SW
WASHINGTON, D.C. 20201

PHONE: (202) 690-6311

FAX: (202) 690-8425

OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION
HUMAN SERVICES LEGISLATION
ROOM 413 H HUMPHREY BUILDING

TO : Deana Feltz [☒] MARY M. BOURDETTE
OFFICE : _____ [] BARBARA P. CLARK
ROOM NO : _____ [] GREG JONES
PHONE NO : _____ [] PATRICIA SAVAGE
FAX NO : 456-7028 [] JOSEPH WARDEN
[] LAUREN GRIFFIN
[] LULA BARNES
TOTAL PAGES INCLUDING COVER) : 7

REMARKS :

no change in
FNS -

For Illustrative Purposes Only

TABLE TWO: FAMILY OF TWO

The Difference Between the Minimum Wage and the
July 1996 Monthly Maximum Benefits for a family of two

State	Maximum Monthly AFDC Benefit July 1996 For a family of 2	Maximum Monthly Food Stamps Benefit July 1996	Combined AFDC and Food Stamps Benefits	Effective Hourly Wage Rate of Combined Benefits for 20 hrs/wk/mo	Additional Monthly Cost/Case of Minimum Wage for 20 hours/week for 4.3 weeks/mo.
Alaska	\$821	\$231	\$1,052	\$12.23	\$0
Hawaii	\$565	\$357	\$922	\$10.72	\$0
Vermont	\$533	\$172	\$705	\$8.20	\$0
Connecticut	\$513	\$178	\$691	\$8.03	\$0
New York	\$468	\$203	\$671	\$7.80	\$0
New Hampshire	\$481	\$188	\$669	\$7.78	\$0
California	\$479	\$188	\$667	\$7.76	\$0
Rhode Island	\$449	\$218	\$667	\$7.76	\$0
Massachusetts	\$474	\$190	\$664	\$7.72	\$0
Washington	\$440	\$218	\$658	\$7.65	\$0
Wisconsin	\$440	\$200	\$640	\$7.44	\$0
Minnesota	\$437	\$201	\$638	\$7.42	\$0
Oregon	\$395	\$218	\$613	\$7.13	\$0
South Dakota	\$380	\$218	\$598	\$6.95	\$0
Michigan	\$371	\$218	\$589	\$6.85	\$0
Iowa	\$361	\$218	\$579	\$6.73	\$0
Kansas	\$352	\$218	\$570	\$6.63	\$0
Montana	\$349	\$218	\$567	\$6.59	\$0
Utah	\$342	\$218	\$560	\$6.51	\$0
North Dakota	\$333	\$218	\$551	\$6.41	\$0
Pennsylvania	\$330	\$218	\$548	\$6.37	\$0
Dist. of Columbia	\$326	\$218	\$544	\$6.33	\$0
New Jersey	\$322	\$218	\$540	\$6.28	\$0
Wyoming	\$320	\$218	\$538	\$6.26	\$0
Maine	\$312	\$218	\$530	\$6.16	\$0
New Mexico	\$310	\$218	\$528	\$6.14	\$0
Virginia	\$294	\$218	\$512	\$5.95	\$0
Nebraska	\$293	\$218	\$511	\$5.94	\$0
Maryland	\$292	\$218	\$510	\$5.93	\$0
Nevada	\$289	\$218	\$507	\$5.90	\$0
Colorado	\$280	\$218	\$498	\$5.79	\$0
Ohio	\$279	\$218	\$497	\$5.78	\$0
Illinois	\$278	\$218	\$496	\$5.77	\$0
Arizona	\$275	\$218	\$493	\$5.73	\$0
Delaware	\$270	\$218	\$488	\$5.67	\$0
Idaho	\$251	\$218	\$469	\$5.45	\$0
Virgin Islands	\$180	\$281	\$461	\$5.36	\$0
Florida	\$241	\$218	\$459	\$5.34	\$0

For Illustrative Purposes Only

TABLE TWO: FAMILY OF TWO

The Difference Between the Minimum Wage and the
July 1996 Monthly Maximum Benefits for a family of two

State	Maximum Monthly AFDC Benefit July 1996 For a family of 2	Maximum Monthly Food Stamps Benefit July 1996	Combined AFDC and Food Stamps Benefits	Effective Hourly Wage Rate of Combined Benefits for 20 hrs/wk/mo	Additional Monthly Cost/Case of Minimum Wage for 20 hours/week for 4.3 weeks/mo.
Oklahoma	\$238	\$218	\$456	\$5.30	\$0
North Carolina	\$236	\$218	\$454	\$5.28	\$0
Georgia	\$235	\$218	\$453	\$5.27	\$0
Missouri	\$234	\$218	\$452	\$5.26	\$0
Indiana	\$229	\$218	\$447	\$5.20	\$0
Kentucky	\$225	\$218	\$443	\$5.15	\$0
West Virginia	\$201	\$218	\$419	\$4.87	\$24
Texas	\$163	\$218	\$381	\$4.43	\$62
Arkansas	\$162	\$218	\$380	\$4.42	\$63
South Carolina	\$159	\$218	\$377	\$4.38	\$66
Tennessee	\$142	\$218	\$360	\$4.19	\$83
Louisiana	\$138	\$218	\$356	\$4.14	\$87
Alabama	\$137	\$218	\$355	\$4.13	\$88
Mississippi	\$96	\$218	\$314	\$3.65	\$129

Notes:

1. This table uses the maximum monthly AFDC benefits as of July 1996. States have more flexibility under TANF to determine benefit levels and may choose to provide higher or lower benefits than suggested in this table. Food Stamp benefits have increased slightly since 7/96 (\$2 for a family of 3).
2. The maximum food stamp benefit assumes 100% excess shelter, no child support, no medical deductions etc.
3. The min. wage is currently \$4.75 an hour but will increase to \$5.15 on 9/1/97. The tables use \$5.15 as the wage.
4. While the number of hours required for single parent participation does not increase to 30 until FY 2000, only 20 of those hours must be within the activities described in Sec. 407. As a result states could place recipients in training for 10 of the 30 hours and not be required to pay the minimum wage for the 10 hours of training.
5. Families may receive less than the maximum benefit for several reasons. While the table lists no additional costs for many states, it is likely that each state will have some cases in which food stamp benefits combined with TANF benefits would not meet the minimum wage.
6. AFDC benefits are calculated by the Congressional Research Service.

*mix retain/pass thru
only - retain
Mick - pass thru*

For Illustrative Purposes Only

TABLE ONE: FAMILY OF THREE

The Difference Between the Minimum Wage and the
July 1996 Monthly Maximum Benefits for a family of three

State	Maximum Monthly AFDC Benefit July 1996 for a family of 3	Maximum Monthly Food Stamps Benefit July 1996	Combined AFDC and Food Stamps Benefits	Effective Hourly Wage Rate of Combined Benefits for 20 hrs/wk/mo	Additional Monthly Cost/Case of Minimum Wage for 20 hours/week for 4.3 weeks/mo.
Alaska	\$923	\$321	\$1,244	\$14.47	\$0
Hawaii	\$712	\$471	\$1,183	\$13.76	\$0
Connecticut	\$636	\$236	\$872	\$10.14	\$0
Vermont	\$633	\$237	\$870	\$10.12	\$0
Rhode Island	\$554	\$299	\$853	\$9.92	\$0
New York	\$577	\$270	\$847	\$9.85	\$0
California	\$596	\$248	\$844	\$9.81	\$0
Washington	\$546	\$289	\$835	\$9.71	\$0
Massachusetts	\$565	\$257	\$822	\$9.56	\$0
New Hampshire	\$550	\$262	\$812	\$9.44	\$0
Minnesota	\$532	\$267	\$799	\$9.29	\$0
Wisconsin	\$517	\$272	\$789	\$9.17	\$0
Oregon	\$460	\$313	\$773	\$8.99	\$0
Michigan	\$459	\$300	\$759	\$8.83	\$0
Kansas	\$429	\$313	\$742	\$8.63	\$0
Montana	\$438	\$295	\$733	\$8.52	\$0
New Jersey	\$424	\$307	\$731	\$8.50	\$0
North Dakota	\$431	\$298	\$729	\$8.48	\$0
South Dakota	\$430	\$298	\$728	\$8.47	\$0
Utah	\$426	\$299	\$725	\$8.43	\$0
Iowa	\$426	\$299	\$725	\$8.43	\$0
Pennsylvania	\$421	\$301	\$722	\$8.40	\$0
Maine	\$418	\$301	\$719	\$8.36	\$0
Dist. of Columbia	\$415	\$302	\$717	\$8.34	\$0
New Mexico	\$389	\$310	\$699	\$8.13	\$0
Illinois	\$377	\$313	\$690	\$8.02	\$0
Maryland	\$373	\$313	\$686	\$7.98	\$0
Nebraska	\$364	\$313	\$677	\$7.87	\$0
Wyoming	\$360	\$313	\$673	\$7.83	\$0
Colorado	\$356	\$313	\$669	\$7.78	\$0
Virginia	\$354	\$313	\$667	\$7.76	\$0
Nevada	\$348	\$313	\$661	\$7.69	\$0
Arizona	\$347	\$313	\$660	\$7.67	\$0
Ohio	\$341	\$313	\$654	\$7.60	\$0
Delaware	\$338	\$313	\$651	\$7.57	\$0
Virgin Islands	\$240	\$402	\$642	\$7.47	\$0
Idaho	\$317	\$313	\$630	\$7.33	\$0
Oklahoma	\$307	\$313	\$620	\$7.21	\$0

For Illustrative Purposes Only

TABLE ONE: FAMILY OF THREE

The Difference Between the Minimum Wage and the
July 1996 Monthly Maximum Benefits for a family of three

State	Maximum Monthly AFDC Benefit July 1996 for a family of 3	Maximum Monthly Food Stamps Benefit July 1996	Combined AFDC and Food Stamps Benefits	Effective Hourly Wage Rate of Combined Benefits for 20 hrs/wk/mo	Additional Monthly Cost/Case of Minimum Wage for 20 hours/week for 4.3 weeks/mo.
Florida	\$303	\$313	\$616	\$7.16	\$0
Missouri	\$292	\$313	\$605	\$7.03	\$0
Indiana	\$288	\$313	\$601	\$6.99	\$0
Georgia	\$280	\$313	\$593	\$6.90	\$0
North Carolina	\$272	\$313	\$585	\$6.80	\$0
Kentucky	\$262	\$313	\$575	\$6.69	\$0
West Virginia	\$253	\$313	\$566	\$6.58	\$0
Arkansas	\$204	\$313	\$517	\$6.01	\$0
South Carolina	\$200	\$313	\$513	\$5.97	\$0
Louisiana	\$190	\$313	\$503	\$5.85	\$0
Texas	\$188	\$313	\$501	\$5.83	\$0
Tennessee	\$185	\$313	\$498	\$5.79	\$0
Alabama	\$164	\$313	\$477	\$5.55	\$0
Mississippi	\$120	\$313	\$433	\$5.03	\$10
Puerto Rico	\$180	NA	NA	\$0.00	NA

Notes:

1. This table uses the maximum monthly AFDC benefits as of July 1996. States have more flexibility under TANF to determine benefit levels and may choose to provide higher or lower benefits than suggested in this table. Food Stamp benefits have increased slightly since 7/96 (\$2 for a family of 3).
2. The maximum food stamp benefit assumes 100% excess shelter, no child support, no medical deductions etc.
3. The min. wage is currently \$4.75 an hour but will increase to \$5.15 on 9/1/97. The tables use \$5.15 as the wage
4. While the number of hours required for single parent participation does not increase to 30 until FY 2000, only 20 of those hours must be within the activities described in Sec. 407. As a result states could place recipients in training for 10 of the 30 hours and not be required to pay the minimum wage for the 10 hours of training.
5. Families may receive less than the maximum benefit for several reasons. While the table lists no additional costs for many states, it is likely that each state will have some cases in which food stamp benefits combined with TANF benefits would not meet the minimum wage.
6. AFDC benefits are calculated by the Congressional Research Service.

For Illustrative Purposes Only

TABLE THREE: FAMILY OF FOUR

The Difference Between the Minimum Wage and the
July 1996 Monthly Maximum Benefits for a family of four

State	Maximum Monthly AFDC Benefit July 1996 For a family of 4	Maximum Monthly Food Stamps Benefit July 1996	Combined AFDC and Food Stamps Benefits	Effective Hourly Wage Rate of Combined Benefits for 20 hrs/wk/mo	Additional Monthly Cost/Case of Minimum Wage for 20 hours/week for 4.3 weeks/mo.
Hawaii	859	567	\$1,426	\$16.58	\$0
Alaska	1,025	399	\$1,424	\$16.56	\$0
Connecticut	741	289	\$1,030	\$11.98	\$0
New York	687	325	\$1,012	\$11.77	\$0
Vermont	711	298	\$1,009	\$11.73	\$0
California	707	299	\$1,006	\$11.70	\$0
Rhode Island	632	365	\$997	\$11.59	\$0
Washington	642	349	\$991	\$11.52	\$0
Massachusetts	651	316	\$967	\$11.24	\$0
Minnesota	621	325	\$946	\$11.00	\$0
Wisconsin	617	326	\$943	\$10.97	\$0
Oregon	565	377	\$942	\$10.95	\$0
New Hampshire	613	327	\$940	\$10.93	\$0
Michigan	563	352	\$915	\$10.64	\$0
Kansas	497	383	\$880	\$10.23	\$0
Montana	527	353	\$880	\$10.23	\$0
Maine	526	353	\$879	\$10.22	\$0
North Dakota	517	356	\$873	\$10.15	\$0
Pennsylvania	514	357	\$871	\$10.13	\$0
Dist. of Columbia	507	359	\$866	\$10.07	\$0
New Jersey	488	373	\$861	\$10.01	\$0
Utah	498	361	\$859	\$9.99	\$0
Iowa	495	362	\$857	\$9.97	\$0
South Dakota	478	367	\$845	\$9.83	\$0
Maryland	450	391	\$841	\$9.78	\$0
New Mexico	469	370	\$839	\$9.76	\$0
Nebraska	435	380	\$815	\$9.48	\$0
Colorado	432	381	\$813	\$9.45	\$0
Virgin. Islands	300	511	\$811	\$9.43	\$0
Ohio	421	385	\$806	\$9.37	\$0
Illinois	414	392	\$806	\$9.37	\$0
Arizona	418	385	\$803	\$9.34	\$0
Virginia	410	388	\$798	\$9.28	\$0
Nevada	408	388	\$796	\$9.26	\$0
Delaware	407	389	\$796	\$9.26	\$0
Wyoming	390	394	\$784	\$9.12	\$0
Idaho	382	396	\$778	\$9.05	\$0

For Illustrative Purposes Only

TABLE THREE: FAMILY OF FOUR

The Difference Between the Minimum Wage and the
July 1996 Monthly Maximum Benefits for a family of four

State	Maximum Monthly AFDC Benefit July 1996 For a family of 4	Maximum Monthly Food Stamps Benefit July 1996	Combined AFDC and Food Stamps Benefits	Effective Hourly Wage Rate of Combined Benefits for 20 hrs/wk/mo	Additional Monthly Cost/Case of Minimum Wage for 20 hours/week for 4.3 weeks/mo.
Oklahoma	380	397	\$777	\$9.03	\$0
Florida	364	397	\$761	\$8.85	\$0
Indiana	346	397	\$743	\$8.64	\$0
Missouri	342	397	\$739	\$8.59	\$0
Georgia	330	397	\$727	\$8.45	\$0
Kentucky	328	397	\$725	\$8.43	\$0
West Virginia	312	397	\$709	\$8.24	\$0
North Carolina	297	397	\$694	\$8.07	\$0
Arkansas	247	397	\$644	\$7.49	\$0
South Carolina	241	397	\$638	\$7.42	\$0
Louisiana	234	397	\$631	\$7.34	\$0
Tennessee	226	397	\$623	\$7.24	\$0
Texas	226	397	\$623	\$7.24	\$0
Alabama	\$194	397	\$591	\$6.87	\$0
Mississippi	144	397	\$541	\$6.29	\$0

Notes:

1. This table uses the maximum monthly AFDC benefits as of July 1996. States have more flexibility under TANF to determine benefit levels and may choose to provide higher or lower benefits than suggested in this table. Food Stamp benefits have increased slightly since 7/96 (\$2 for a family of 3).
2. The maximum food stamp benefit assumes 100% excess shelter, no child support, no medical deductions etc.
3. The min. wage is currently \$4.75 an hour but will increase to \$5.15 on 9/1/97. The tables use \$5.15 as the wage.
4. While the number of hours required for single parent participation does not increase to 30 until FY 2000, only 20 of those hours must be within the activities described in Sec. 407. As a result states could place recipients in training for 10 of the 30 hours and not be required to pay the minimum wage for the 10 hours of training.
5. Families may receive less than the maximum benefit for several reasons. While the table lists no additional costs for many states, it is likely that each state will have some cases in which food stamp benefits combined with TANF benefits would not meet the minimum wage.

Cash + food = \$400

child sup = \$100

Only work \$300

State retain

If state retains \$100

Woman has \$400 cash

Father pays $\longleftrightarrow$ mother ~~pay~~ works less

State
not
retain

Mother \$400 equivalent work
\$500 cash

In each case gets \$100 more than has to work

Want to avoid Work \$500 worth

Betsy Masterston - 401-9386

Dana Ross -
401-9369

Workfare

Get cs + retained

low benefit states??

Pick 8 - retained

all will discontinue pass-through
Texas - continue temporarily
SC, LA, IN - no info rptd

Family of 2

of get cs

% get cs

~~MA~~
~~AK~~
~~TX~~

% nation in those states

NY } cont
NJ } pass-through

Pat Braannon -
401-5096

Assume father pays \$100 (benefits = \$400)

With subtraction

w/o subtraction

State retains

State fresh +
retain

~~Assume father doesn't pay~~

~~w/ subtraction~~

~~w/o subtraction~~

(2) Following the initial assessment and review and the development of the employability plan with respect to any participant in the program, the State agency may require the participant (or the adult caretaker in the family of which the participant is a member) to negotiate and enter into an agreement with the State agency that specifies such matters as the participant's obligations under the program, the duration of participation in the program, and the activities to be conducted and the services to be provided in the course of such participation. If the State agency exercises the option under the preceding sentence, the State agency must give the participant such assistance as he or she may require in reviewing and understanding the agreement.

(3) The State agency may assign a case manager to each participant and the participant's family. The case manager so assigned must be responsible for assisting the family to obtain any services which may be needed to assure effective participation in the program.

(c) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—(1) The State agency must ensure that all applicants for and recipients of aid to families with dependent children are encouraged, assisted, and required to fulfill their responsibilities to support their children by preparing for, accepting, and retaining such employment as they are capable of performing.

(2) The State agency must inform all applicants for and recipients of aid to families with dependent children of the education, employment, and training opportunities, and the support services (including child care and health coverage transition options), for which they are eligible, the obligations of the State agency, and the rights, responsibilities, and obligations of participants in the program.

(3) The State agency must—

(A) provide (directly or through arrangements with others) information on the types and locations of child care services reasonably accessible to participants in the program,

(B) inform participants that assistance is available to help them select appropriate child care services, and

(C) on request, provide assistance to participants in obtaining child care services.

(4) The State agency must inform applicants for and recipients of aid to families with dependent children of the grounds for exemption from participation in the program and the consequences of refusal to participate if not exempt, and provide other appropriate information with respect to such participation.

(5) Within one month after the State agency gives a recipient of aid to families with dependent children the information described in the preceding provisions of this paragraph, the State agency must notify such recipient of the opportunity to indicate his or her desire to participate in the program, including a clear description of how to enter the program.

(d) SERVICES AND ACTIVITIES UNDER THE PROGRAM.—(1)(A) In carrying out the program, each State shall make available a broad range of services and activities to aid in carrying out the purpose of this part. Such services and activities—

(i) shall include—

(I) educational activities (as appropriate), including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency;

(II) job skills training;

(III) job readiness activities to help prepare participants for work; and

(IV) job development and job placement; and

(ii) must also include at least 2 of the following:

(I) group and individual job search as described in subsection (g);

(II) on-the-job training;

(III) work supplementation programs as described in subsection (e); and

(IV) community work experience programs as described in subsection (f) or any other work experience program approved by the Secretary.

(B) The State may also offer to participants under the program (i) postsecondary education in appropriate cases, and (ii) such other education, training, and employment activities as may be determined by the State and allowed by regulations of the Secretary.

(2) If the State requires an individual who has attained the age of 20 years and has not earned a high school diploma (or equivalent) to participate in the program, the State agency shall include educational activities consistent with his or her employment goals as a component of the individual's participation in the program, unless the individual demonstrates a basic literacy level, or the employability plan for the individual identifies a long-term employment goal that does not require a high school diploma (or equivalent). Any other services or activities to which such a participant is assigned may not be permitted to interfere with his or her participation in an appropriate educational activity under this subparagraph.

(3) Notwithstanding any other provision of this section, the Secretary shall permit up to 5 States to provide services under the program, on a voluntary or mandatory basis, to non-custodial parents who are unemployed and unable to meet their child support obligations. Any State providing services to non-custodial parents pursuant to this paragraph shall evaluate the provision of such services, giving particular attention to the extent to which the provision of such services to those parents is contributing to the achievement of the purpose of this part, and shall report the results of such evaluation to the Secretary.

(e) WORK SUPPLEMENTATION PROGRAM.—(1) Any State may institute a work supplementation program under which such State, to the extent it considers appropriate, may reserve the sums that would otherwise be payable to participants in the program as aid to families with dependent children and use such sums instead for the purpose of providing and subsidizing jobs for such participants (as described in paragraph (3)(C)(i) and (ii)), as an alternative to the aid to families with dependent children that would otherwise be so payable to them.

(2)(A) Notwithstanding section 406 or any other provision of law, Federal funds may be paid to a State under part A, subject to this subsection, with respect to expenditures incurred in operating a work supplementation program under this subsection.

(B) Nothing in this part, or in any State plan approved under part A, shall be construed to prevent a State from operating (on such terms and conditions and in such cases as the State may find to be necessary or appropriate) a work supplementation program in accordance with this subsection and section 484.

(C) Notwithstanding section 402(a)(23) or any other provision of law, a State may adjust the levels of the standards of need under the State plan as the State determines to be necessary and appropriate for carrying out a work supplementation program under this subsection.

(D) Notwithstanding section 402(a)(1) or any other provision of law, a State operating a work supplementation program under this subsection may provide that the need standards in effect in those areas of the State in which such program is in operation may be different from the need standards in effect in the areas in which such program is not in operation, and such State may provide that the need standards for categories of recipients may vary among such categories to the extent the State determines to be appropriate on the basis of ability to participate in the work supplementation program.

(E) Notwithstanding any other provision of law, a State may make such further adjustments in the amounts of the aid to families with dependent children paid under the plan to different categories of recipients (as determined under subparagraph (D)) in order to offset increases in benefits from needs-related programs (other than the State plan approved under part A) as the State determines to be necessary and appropriate to further the purposes of the work supplementation program.

(F) In determining the amounts to be reserved and used for providing and subsidizing jobs under this subsection as described in paragraph (1), the State may use a sampling methodology.

(G) Notwithstanding section 402(a)(8) or any other provision of law, a State operating a work supplementation program under this subsection (i) may reduce or eliminate the amount of earned income to be disregarded under the State plan as the State determines to be necessary and appropriate to further the purposes of the work supplementation program, and (ii) during one or more of the first 9 months of an individual's employment pursuant to a program under this section, may apply to the wages of the individual the provisions of subparagraph (A)(iv) of section 402(a)(8) without regard to the provisions of subparagraph (B)(ii)(II) of such section.

(3)(A) A work supplementation program operated by a State under this subsection may provide that any individual who is an eligible individual (as determined under subparagraph (B)) shall take a supplemented job (as defined in subparagraph (C)) to the extent that supplemented jobs are available under the program. Payments by the State to individuals or to employers under the work supplementation program shall be treated as expenditures incurred by the State for aid to families with dependent children except as limited by paragraph (4).

(B) For purposes of this subsection, an eligible individual is an individual who is in a category which the State determines should be eligible to participate in the work supplementation program, and who would, at the time of placement in the job involved, be eligible

for aid to families with dependent children under an approved State plan if such State did not have a work supplementation program in effect.

(C) For purposes of this section, a supplemented job is—

(i) a job provided to an eligible individual by the State or local agency administering the State plan under part A; or

(ii) a job provided to an eligible individual by any other employer for which all or part of the wages are paid by such State or local agency.

A State may provide or subsidize under the program any job which such State determines to be appropriate.

(D) At the option of the State, individuals who hold supplemented jobs under a State's work supplementation program shall be exempt from the retrospective budgeting requirements imposed pursuant to section 402(a)(13)(A)(ii) (and the amount of the aid which is payable to the family of any such individual for any month, or which would be so payable but for the individual's participation in the work supplementation program, shall be determined on the basis of the income and other relevant circumstances in that month).

(4) The amount of the Federal payment to a State under section 403 for expenditures incurred in making payments to individuals and employers under a work supplementation program under this subsection shall not exceed an amount equal to the amount which would otherwise be payable under such section if the family of each individual employed in the program established in such State under this subsection had received the maximum amount of aid to families with dependent children payable under the State plan to such a family with no income (without regard to adjustments under paragraph (2)) for the lesser of (A) 9 months, or (B) the number of months in which such individual was employed in such program.

(5)(A) Nothing in this subsection shall be construed as requiring the State or local agency administering the State plan to provide employee status to an eligible individual to whom it provides a job under the work supplementation program (or with respect to whom it provides all or part of the wages paid to the individual by another entity under such program), or as requiring any State or local agency to provide that an eligible individual filling a job position provided by another entity under such program be provided employee status by such entity during the first 13 weeks such individual fills that position.

(B) Wages paid under a work supplementation program shall be considered to be earned income for purposes of any provision of law.

(6) Any State that chooses to operate a work supplementation program under this subsection shall provide that any individual who participates in such program, and any child or relative of such individual (or other individual living in the same household as such individual) who would be eligible for aid to families with dependent children under the State plan approved under part A if such State did not have a work supplementation program, shall be considered individuals receiving aid to families with dependent children under the State plan approved under part A for purposes of eligibility for medical assistance under the State plan approved under title XIX.

(7) No individual receiving aid to families with dependent children under a State plan shall be excused by reason of the fact that such

State has a work supplementation program from any requirement of this part relating to work requirements, except during periods in which such individual is employed under such work supplementation program.

(f) **COMMUNITY WORK EXPERIENCE PROGRAM.**—(1)(A) Any State may establish a community work experience program in accordance with this subsection. The purpose of the community work experience program is to provide experience and training for individuals not otherwise able to obtain employment, in order to assist them to move into regular employment. Community work experience programs shall be designed to improve the employability of participants through actual work experience and training and to enable individuals employed under community work experience programs to move promptly into regular public or private employment. The facilities of the State public employment offices may be utilized to find employment opportunities for recipients under this program. Community work experience programs shall be limited to projects which serve a useful public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and day care. To the extent possible, the prior training, experience, and skills of a recipient shall be used in making appropriate work experience assignments.

(B)(i) A State that elects to establish a community work experience program under this subsection shall operate such program so that each participant (as determined by the State) either works or undergoes training (or both) with the maximum number of hours that any such individual may be required to work in any month being a number equal to the amount of the aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part, divided by the greater of the Federal minimum wage or the applicable State minimum wage (and the portion of a recipient's aid for which the State is reimbursed by a child support collection shall not be taken into account in determining the number of hours that such individual may be required to work).

(ii) After an individual has been assigned to a position in a community work experience program under this subsection for 9 months, such individual may not be required to continue in that assignment unless the maximum number of hours of participation is no greater than (I) the amount of the aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part (excluding any portion of such aid for which the State is reimbursed by a child support payment), divided by (II) the higher of (a) the Federal minimum wage or the applicable State minimum wage, whichever is greater, or (b) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(C) Nothing contained in this subsection shall be construed as authorizing the payment of aid to families with dependent children as compensation for work performed, nor shall a participant be entitled to a salary or to any other work or training expense provided under any other provision of law by reason of his participation in a program under this subsection.

(D) Nothing in this part or in any State plan approved under this part shall be construed to prevent a State from operating (on such terms and conditions and in such cases as the State may find to be necessary or appropriate) a community work experience program in accordance with this subsection and subsection (d).

(E) Participants in community work experience programs under this subsection may perform work in the public interest (which otherwise meets the requirements of this subsection) for a Federal office or agency with its consent, and, notwithstanding section 1342 of title 31, United States Code, or any other provision of law, such agency may accept such services, but such participants shall not be considered to be Federal employees for any purpose.

(2) After each 6 months of an individual's participation in a community work experience program under this subsection, and at the conclusion of each assignment of the individual under such program, the State agency must provide a reassessment and revision, as appropriate, of the individual's employability plan.

(3) The State agency shall provide coordination among a community work experience program operated pursuant to this subsection, any program of job search under subsection (g), and the other employment-related activities under the program established by this section so as to insure that job placement will have priority over participation in the community work experience program, and that individuals eligible to participate in more than one such program are not denied aid to families with dependent children on the grounds of failure to participate in one such program if they are actively and satisfactorily participating in another. The State agency may provide that part-time participation in more than one such program may be required where appropriate.

(4) In the case of any State that makes expenditures in the form described in paragraph (1) under its State plan approved under section 482(a)(1), expenditures for the operation and administration of the program under this section may not include, for purposes of section 403, the cost of making or acquiring materials or equipment in connection with the work performed under a program referred to in paragraph (1) or the cost of supervision of work under such program, and may include only such other costs attributable to such programs as are permitted by the Secretary.

(g) **JOB SEARCH PROGRAM.**—(1) The State agency may establish and carry out a program of job search for individuals participating in the program under this part.

(2) Notwithstanding section 402(a)(19)(B)(i), the State agency may require job search by an individual applying for or receiving aid to families with dependent children (other than an individual described in section 402(a)(19)(C) who is not an individual with respect to whom section 402(a)(19)(D) applies)—

(A) subject to the next to last sentence of this paragraph, beginning at the time such individual applies for aid to families with dependent children and continuing for a period (prescribed by the State) of not more than 8 weeks (but this requirement may not be used as a reason for any delay in making a determination of an individual's eligibility for such aid or in issuing a payment to or on behalf of any individual who is otherwise eligible for such aid); and

PROVISIONS GENERALLY APPLICABLE TO PROVISION OF SERVICES

SEC. 484. [42 U.S.C. 684] (a) In assigning participants in the program under this part to any program activity, the State agency shall assure that—

(1) each assignment takes into account the physical capacity, skills, experience, health and safety, family responsibilities, and place of residence of the participant;

(2) no participant will be required, without his or her consent, to travel an unreasonable distance from his or her home or remain away from such home overnight;

(3) individuals are not discriminated against on the basis of race, sex, national origin, religion, age, or handicapping condition, and all participants will have such rights as are available under any applicable Federal, State, or local law prohibiting discrimination;

(4) the conditions of participation are reasonable, taking into account in each case the proficiency of the participant and the child care and other supportive services needs of the participant; and

(5) each assignment is based on available resources, the participant's circumstances, and local employment opportunities.

(b) Appropriate workers' compensation and tort claims protection must be provided to participants on the same basis as they are provided to other individuals in the State in similar employment (as determined under regulations of the Secretary).

(c) No work assignment under the program shall result in—

(1) the displacement of any currently employed worker or position (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits), or result in the impairment of existing contracts for services or collective bargaining agreements;

(2) the employment or assignment of a participant or the filling of a position when (A) any other individual is on layoff from the same or any equivalent position, or (B) the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the effect of filling the vacancy so created with a participant subsidized under the program; or

(3) any infringement of the promotional opportunities of any currently employed individual.

Funds available to carry out the program under this part may not be used to assist, promote, or deter union organizing. No participant may be assigned under section 482(e) or (f) to fill any established unfilled position vacancy.

(d)(1) The State shall establish and maintain (pursuant to regulations jointly issued by the Secretary and the Secretary of Labor) a grievance procedure for resolving complaints by regular employees or their representatives that the work assignment of an individual under the program violates any of the prohibitions described in subsection (c). A decision of the State under such procedure may be appealed to the Secretary of Labor for investigation and such action as such Secretary may find necessary.

(2) The State shall hear complaints with respect to working conditions and workers' compensation, and wage rates in the case of

got dropped

Discrimination

Displacement enforcement

Wage, health + safety

individuals participating in community work experience programs described in section 482(f), under the State's fair hearing process. A decision of the State under such process may be appealed to the Secretary of Labor under such conditions as the joint regulations issued under subsection (f) may provide.

(e) The provisions of this section apply to any work-related programs and activities under this part, and under any other work-related programs and activities authorized (in connection with the AFDC program) under section 1115.

(f) The Secretary of Health and Human Services and the Secretary of Labor shall jointly prescribe and issue regulations for the purpose of implementing and carrying out the provisions of this section, in accordance with the timetable established in section 203(a) of the Family Support Act of 1988²⁵⁶.

CONTRACT AUTHORITY

SEC. 485. [42 U.S.C. 685] (a) The State agency that administers or supervises the administration of the State's plan approved under section 402 shall carry out the programs under this part directly or through arrangements or under contracts with administrative entities under section 4(2) of the Job Training Partnership Act²⁵⁷, with State and local educational agencies, and with other public agencies or private organizations (including community-based organizations as defined in section 4(5) of such Act).

(b) Arrangements and contracts entered into under subsection (a) may cover any service or activity (including outreach) to be made available under the program to the extent that the service or activity is not otherwise available on a nonreimbursable basis.

(c) The State agency and private industry councils (as established under section 102 of the Job Training Partnership Act) shall consult on the development of arrangements and contracts under the program established under a plan approved under section 482(a)(1), and under programs established under such Act.

(d) In selecting service providers, the State agency shall take into account appropriate factors which may include past performance in providing similar services, demonstrated effectiveness, fiscal accountability, ability to meet performance standards, and such other factors as the State may determine to be appropriate.

(e) The State agency shall use the services of each private industry council to identify and provide advice on the types of jobs available or likely to become available in the service delivery area (as defined in the Job Training Partnership Act) of the council, and shall ensure that the State program provides training in any area for jobs of a type which are, or are likely to become, available in the area.

INITIAL STATE EVALUATIONS

SEC. 486. [42 U.S.C. 686] (a) With the objective of—

(1) providing an in-depth assessment of potential participants in the program under this part in each State, so as to furnish an accurate picture on which to base estimates of future demands

²⁵⁶P.L. 100-485.

²⁵⁷P.L. 97-300.