

9/10/98

State Welfare Chiefs Ask For More U.S. Guidance

Just New Authority Isn't Enough, They Say

By ROBERT PEAR

WASHINGTON, Sept. 9 — After seeking more authority over welfare policy for 15 years, state officials said today that they needed more Federal guidance on how to carry out the new welfare law.

Many of the officials said they expected to reap financial windfalls from the new law because the number of welfare recipients had dropped far below the levels of the last few years, which are used in computing the new Federal payments to states. Hardly any state officials mentioned the possibility of a recession, which would increase the demand for public assistance.

The state officials said they were frustrated by their inability to get authoritative interpretations of the new law from President Clinton's top domestic policy adviser, Carol H. Rasco, or from Mary Jo Bane, the Assistant Secretary of Health and Human Services for Children and Families.

State and Federal officials seemed to be feeling their way toward a new relationship as more than 500 state officials met in closed sessions to try to understand the intricacies of the law, which Congress passed at their behest.

The law, signed by Mr. Clinton on Aug. 22, gives state officials vast new authority to run their own welfare and work programs with Federal money. But states face severe financial penalties if they flout the law, which is complex and ambiguous on many points.

"It doesn't do us any good to get an opinion or an unofficial interpretation," said J. Maynard Chapman, the welfare reform manager in Colorado. "What we need is factual answers."

Clinton Administration officials were reluctant to give such answers, lest they be accused of undermining the law by trying to dictate decisions to the states.

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ate child care? And is that decision made by parents, the Federal Government or the states?"

The new law imposes a five-year lifetime limit on welfare payments to any family. But a state may grant "hardship exceptions" to 20 percent of its adult welfare recipients.

Jerry W. Friedman, Assistant Secretary of Social and Health Services in Washington State, asked, "If somebody gets a hardship exception from another state like Idaho, does that person automatically qualify for the exception in Washington?"

J. Jean Rogers, the welfare director in Wisconsin, wanted to know how

States want answers, but Federal officials are wary of telling them what to do.

the time limit should be enforced when one welfare recipient married another welfare recipient who began receiving aid at a different time.

Perhaps the most frequent question was whether states would be allowed to continue operating experimental welfare programs for which they received Federal permission in the last three years. Typically, the Federal "waivers" cover only a few elements of a state program, but states want to continue operating the entire program.

Administration officials refused to give definitive answers, saying each state would have to decide for itself whether it is permitted to continue one or more waivers granted by the Federal Government. "You may wish to consult with the chief law officer of your state" in making this decision, the Administration said in a document given to state welfare officials.

Surveying the confusion among state officials, a Federal official commented: "States are like the dog that ran after the car and finally caught it. Now they're not sure what to do with it. It's amazing what happens when you wish for something and actually get it."

Another Federal official, Ms. Rasco, said: "We readily admit that we do not have all the answers. We are here for a two-way dialogue."

Larry Temple, deputy director of the Mississippi Department of Human Services, spoke for many state officials when he said, "Our caseload is going through the floor." It has fallen to 46,000 families on welfare today, from an average of 60,000 in 1992-94. In the coming year, he said, Mississippi expects to receive \$86 million of Federal welfare money under the new law, whereas it would

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PHOTOCOPY
PRESERVATION

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The new law imposes stringent work requirements on welfare recipients. Sheila Lumpe, chairwoman of the Budget Committee in the Missouri House of Representatives, said she wanted to know what activities would qualify as work.

The law generally requires welfare recipients to work within two years of getting cash assistance. But a woman with a child under the age of 6 is exempt from the work requirement if she cannot find "appropriate child care" within a reasonable distance of her home or her work site.

Arnold R. Tompkins, director of the Ohio Department of Human Services, asked: "What is appropri-

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Gerald H. Miller, director of the Michigan Department of Social Services, said the number of families on welfare in his state had declined by 24 percent, to 170,000 from 225,000 in 1993. In the fiscal year that begins Oct. 1, he said, Michigan will receive \$775 million under the new law, whereas it would have received \$625 million under the old law.

Florida, Connecticut, Delaware, Missouri and Ohio reported similar declines in welfare cases, because of a strong economy and aggressive state efforts to put people to work. "The economy is the biggest factor," said Don Winstead, the welfare reform director in Florida.

gal Immig. ts

Continued Page A1

at 12:01," said Mark Rosenbaum, the legal director for the American Civil Liberties Union of Southern California, one of the lawyers who won a Federal injunction last November against implementation of Proposition 187.

Mr. Wilson, an ardent supporter of the ballot initiative, has led a small but influential group of governors in demanding both Federal compensation for the costs incurred by states in helping illegal immigrants and the right to cut off services to them.

His action would not affect legal immigrants, who will lose their food stamps, disability assistance and most other Federal welfare benefits under the new law. But the law also gives states the option to cut off Medicaid to legal immigrants, and Mr. Wilson said before its passage that he supported that provision.

State officials said they did not yet know exactly what aid, programs and licenses would be covered by the executive order or how much money

care, immunization programs and emergency disaster relief. The Federal law allows the states to extend their assistance to illegal immigrants only by enacting a new state law "which affirmatively provides for such eligibility."

Some immigrants-rights advocates said they agreed that most of the restrictions expected to come from Mr. Wilson's order would eventually be allowed under the Federal legislation.

"The welfare bill does explicitly give the states the right to do almost anything they want on this, and Wilson is doing it in a very political way," said Cecilia Muñoz, an official of the National Council of La Raza, an umbrella organization of Hispanic groups. But she cautioned that the move would come with high costs, in both money and discrimination.

"These kinds of things cost much more to implement than they save," Ms. Muñoz said. "And anybody with the wrong last name is immediately suspect. If somebody like me applies for a cosmetology license, I could be denied access to things I have a right to because of my ethnicity, and I am a U.S. citizen."

Lawyers involved in the battle to keep Proposition 187 from taking effect said they believed that the injunction against it, issued last year by a Federal district judge, Mariana R. Pfaelzer, would at least hinder the implementation of the illegal-immigrant parts of the welfare law. The lawyers noted that the court action had specifically barred state employees from asking the immigration status of people they suspect of having entered the country illegally.

The welfare law stipulates that the Attorney General will issue regulations within 18 months about how Government agencies may screen applicants for Federal benefits, and that states should issue their own, complementary rules within 24 months after that.

"In order to deny anybody anything, you have to make a determination about someone's legal status, and under the welfare bill there is an elaborate process set up for the development of a reliable verification process by Federal personnel," Mr. Rosenbaum said. "The cornerstone of the 187 injunction is that state personnel cannot act as immigration agents."

But Daniel M. Kolkey, a legal adviser to Mr. Wilson, said the new Federal law had effectively overridden the judge's order.

"The advocates of benefits to illegal immigrants are at least being inconsistent," he said. "They argued that the state could not implement Proposition 187 because the initiative was pre-empted by Federal law. Now there is a Federal law."

Aides say the actual utoff of assistance will happen in a month or two.

is restrictions might save. In part, the order calls on all state agencies to determine what assistance they now provide to undocumented immigrants and to then report back.

But Mr. Wilson's chief spokesman, Sean T. Walsh, said the order would bar illegal immigrants from long-term health care and all professional and commercial licenses. In addition, it would bar them from admission to state colleges and universities unless they paid the full cost of their education.

A spokeswoman for the state Health and Welfare Agency, Lisa Kalustian, said California's prenatal care programs alone served more than 70,000 illegal immigrants each year at a cost of \$69.3 million.

Mr. Walsh said that under the governor's order, some of the programs now available to illegal immigrants "could be cut off tomorrow, or within a week." He said it was more realistic, however, to expect the cuts to become effective within 30 to 60 days.

The California government acted under a provision of the new Federal law that makes illegal immigrants ineligible for all state and Federal benefits except a specific handful of services like emergency medical

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WELFARE REFORM OVERVIEW

- ♦ **TANF:** the cash assistance block grant
 - five year lifetime time limit
 - work after 2 years
- ♦ **Waivers:** continue if inconsistent; discontinue without liability
- ♦ **Child Care:** CCDBG, Mandatory and Matching
- ♦ **Medicaid:** no link with cash assistance
- ♦ **Immigration:** SSI, Food Stamp, Cash, Medicaid
- ♦ **SSI:** eligibility for children and immigrants
- ♦ **Food Stamps:** work, simplification and Reg E
- ♦ **Child Welfare:** retains IV-E entitlement
- ♦ **Child Support Enforcement:** Sweeping reforms

TANF: State Allocations

- Contains AFDC, AFDC Administration, JOBS and EA
- For those choosing FY 94 grants, states receive the federal share of expenditures in FY 92-94 average, FY 94 pr FY 95 whichever is greater
- Grants include adjustments for State with Emergency Assistance plan amendments approved during FY 94 and FY 95
- Each tribe or tribal agency will receive the amount paid in FY 94.

Additional Funding

- Supplemental Grants
 - Begin FY 1998 to 2001; \$800 million total.
 - Eligible state receive 2.5% of FY 94
 - Based on expenditures per poor person and population growth
- Contingency Fund
 - \$2 billion in matching funds FY 1997-2001
 - Based on unemployment of food stamps
 - 100% of FY 94 MOE required
 - cannot exceed 20% of block grant
 - no repayment

Additional Funding

- Rainy Day Loan Fund
 - \$1.7 billion revolving loan fund
 - eligible only if never penalized under TANF
 - Up to 10% of TANF grant for up to 3 years
 - Repay loan with interest
- Performance Bonus Fund
 - \$1 billion over 5 years
 - Begin in FY 1998-2002 for "High Performing States"
 - Formula to be defined
- Illegitimacy Reduction Fund
 - \$100 million annually for FY 1997-2002
 - 5 states with greatest success

TANF: Maintenance of Effort

- States must maintain 80% of their historic level of state spending; reduced to 75% if work rates are achieved.
- Expenditures in FY 94 for AFDC, Admin, EA IV-A Child Care and JOBS
- Qualified state expenditures on eligible families for cash, child care, education, administration up to 15%
- Failing MOE results in dollar for dollar reduction in state's grant and requirement to replace funds.

Flexibility Under TANF

- Carryover of Funds
- Transferability: Up to 30% to CCDBG and up to 10% to Social Services Block Grant. No More than 1/3 of the total amount transferred can go to SSBG.
- SSGB Funds Limited to services for children and families up to 200% of poverty and 10% for vouchers to those who reach the five year lifetime time limit.
- Important to note: SSBG is reduced by 15%
- Block Grant funds are subject to appropriation by the state legislature

HOW STATES CAN USE TANF BLOCK GRANT

ENHANCED FLEXIBILITY WITH FEDERAL RESTRICTIONS

FLEXIBILITY: THE STATES DECIDE

STATES CAN REMAKE THE ELIGIBILITY:

- BENEFIT LEVELS
- STANDARD OF NEED OR ANOTHER MECHANISM
- GRANT CONDITIONS
- FAMILY CAP (OPTION, NOT MANDATE)
- ELIGIBILITY AREAS PREVIOUSLY IN WAIVERS: EARNINGS DISREGARDS, ASSETS, VEHICLES
- CONTINUE STATE ENTITLEMENT TO ASSISTANCE (NO FEDERAL ENTITLEMENT).
- ELIGIBILITY RULES GOVERNED BY STATE LAW, CONSTITUTION, CUSTOM AND PRACTICE

STATES HAVE TOTAL FLEXIBILITY ON
STATE FUNDS SPENT ALONG SIDE OF
FEDERAL TANF (STATE MAINTENANCE OF
EFFORT/MOE)

FEDERAL GOVERNMENT MANDATES
ADDITIONAL RESTRICTIONS ON
EXPENDITURE OF TANF FUNDS INCLUDING
RESTRICTING ELIGIBILITY OF CERTAIN
POPULATIONS

FEDERAL ELIGIBILITY MANDATES/PROHIBITIONS

FEDERAL REQUIREMENTS INCLUDE:

1. PROHIBITIONS ON CERTAIN LEGAL IMMIGRANTS, INCLUDING EXTENSION OF SPONSOR-DEEMING
2. COOPERATION WITH CHILD SUPPORT ENFORCEMENT
3. TEEN PARENTS LIVING AT HOME/GUARDIAN
4. TEEN PARENTS IN SCHOOL/GED
5. FELONS CONVICTED OF POSSESSION, SALE AND DISTRIBUTION OF DRUGS: STATES MAY PASS A LAW TO OPT OUT OF THIS REQUIREMENT
6. TIME LIMITS

FEDERAL RESTRICTIONS ON TANF SPENDING

TIME LIMITS

A) TWO YEARS AND WORK:

1. SEPARATE FROM WORK PARTICIPATION RATES
2. STATE DEFINITION OF SATISFACTORY WORK
3. STATES MUST ENFORCE

B) FIVE YEAR TIME LIMIT ON ALL TANF \$\$\$

CONDITIONS:

1. TANF ASSISTANCE= CASH, CHILD CARE, TRANSPORTATION, ETC.
2. NOT ON STATE SPENDING
3. NOT ON CHILD CARE BLOCK GRANT
4. NOT ON ANY FUNDS TRANSFERRED OUT OF TANF
5. 20% HARDSHIP EXEMPTION: ONLY ON 5 YEAR TIME LIMIT, ONLY ON FEDERAL FUNDS, USE OF STATE DEFINITION.

TANF PENALTIES EFFECTIVE UPON **SUBMISSION OF A STATE PLAN**

- **Misuse of funds – repay plus 5% for intentional violations**
- **Failure to comply with 5-year limit on assistance - 5%**
- **Sanctioning a non-participating parent with a child under age six and no child care - up to 5%**
- **Failure to meet MOE - \$1 for \$1 reduction in grant**
- **Failure to timely repay a loan – amount plus interest**

PENALTIES EFFECTIVE THE LATER OF JULY 1, 1997 OR 6 MONTHS AFTER STATE PLAN SUBMITTAL

- Failure to meet work participation rates — 5% and for consecutive failures an additional 2% with a 21% ceiling
- Failure to submit required quarterly reports — 4%
- Failure to participate in IEVS — up to 2%
- Failure to enforce child support penalties – up to 5%
- Failure to comply with child support requirements of IV-D – 1 to 2%, 2nd consecutive finding 2 to 3% and 3rd consecutive finding 3 to 5%
- Failure to maintain MOE for contingency fund – amount of contingency fund used

Other Rules Around Penalties

- **States must “fill in” with additional state funds the federal dollars lost from penalties**
- **No penalty if state had reasonable cause not to comply (except for MOE)**
- **Opportunity for corrective compliance plan**
- **25% limit on penalties in any quarter**
- **Secretary may not penalize a state for failure to comply with any other provisions of the bill**

ANNUAL WORK PARTICIPATION RATE REQUIREMENTS

States must meet the following annual work participation rates with respect to all families that include an adult or minor child head of household receiving assistance.

Fiscal Year	ALL FAMILIES		TWO-PARENT FAMILIES	
	Part. Rate	Hours of Work per Week to Count Toward Rate	Part. Rate	Hours of Work per Week to Count Toward Rate
1997	25%	20	75%	35
1998	30%	20	75%	35
1999	35%	25	90%	35
2000	40%	30	90%	35
2001	45%	30	90%	35
2002	50%	30	90%	35

Work Participation Rate, cont'd

- To count toward the rate, each individual must meet the minimum numbers of hours (averaged over a month). This differs from the JOBS calculation where the hours are averaged among participants to arrive at the largest number of persons whose combined and averaged hours equal 20 hours week.
- State option to limit the required number of hours of work to 20 hours for those single custodial parents with a child under age six.
- If a two-parent family receives federally-funded child care, then both parents must work.

Exemptions to Work Participation Extremely Limited

- Under age one exemption. Not counted in denominator. A parent may only receive this exemption for a total of 12 months.
- Individuals exempt from the five-year lifetime limit are not exempt from the work requirement. These individuals will be counted in the denominator.

Allowable Work Activities for First 20 Hours: (or 30 hours for two-parent families)

- 1. unsubsidized employment**
- 2. subsidized private sector employment**
- 3. subsidized public sector employment**
- 4. work experience (including refurbishing publicly assisted housing), if sufficient private sector employment is not available**
- 5. on-the-job-training**
- 6. job search and job readiness assistance for up to 6 weeks (No more than 4 weeks may be consecutive. Individuals in states with high unemployment may participate for 12 weeks)**
- 7. community service programs**
- 8. vocational educational training (not to exceed 12 months for any individual)**
- 9. provision of child care services to an individual who is participating in a community service program**

Additional Activities that Count after 20 hours (30 hours for two-parent rate)

- 1. job skills training directly related to employment**
- 2. education directly related to employment, for recipients without high school diploma or GED**
- 3. satisfactory attendance at secondary school or course of study leading to GED for recipients who have not completed secondary school**
- 4. job search and job readiness once the individual has exceeded the six-week limit**

--Teen heads of household under age twenty attending school or education related to employment count toward first 20 hours

--20% limitation on vocational educational training and teens in school

Calculation of Monthly Participation Rate for All Families:

NUMERATOR:

**# of families receiving assistance that include an adult or minor head of household
who is engaged in work for the requisite hours
(divided by)**

DENOMINATOR:

# of families that include an adult or a <u>less</u> minor child head of household receiving assistance	# of families sanctioned in that month for failure to participate in work (for up to 3 months in preceding 12 month period)
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- **Similar calculation is made for two-parent families.**
- **At state option, families receiving assistance under a tribal family plan may be included in the work participation rate calculation.**

CALCULATING THE WORK PARTICIPATION RATE

FAMILY SUPPORT ACT (JOBS PROGRAM)	P.L. 104-193 (TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT/TANF)
Adults (mandatory participants and volunteers) with satisfactory participation in JOBS (work, education, training, job readiness and job search). = % participating JOBS mandatory* (Those required to be in JOBS less exempted families, including those with young children under age 3, those who are ill or incapacitated or are caring for an ill or incapacitated household member, those in remote areas, and more). * Jobs eligibles are a much smaller percentage of the entire caseload. To count as participating, an individual must attend at least 75% of scheduled hours.	Families that include an adult engaged in federally-specified work activities for the requisite number of hours (20 increasing to 30) per week. = % participating All families with an adult or minor child head-of-household receiving assistance, less the number of families sanctioned for three months* (State option to exclude families with children under age one). * This is a much larger pool of participants than the JOBS program.

CALCULATING THE WORK PARTICIPATION RATE EXAMPLE

In one hypothetical example, based on a southern state, the calculation was as follows:

FAMILY SUPPORT ACT (JOBS PROGRAM)	P.L. 104-193 (TANF)
$\frac{14,614^*}{38,230} = 38\%$ * Hours under JOBS are combined and averaged across participants to equal or exceed 20 hours/week.	$\frac{14,614^*}{186,200} = 8\%^*$ * Those individuals working (numerator) and the resulting percentage are likely to be significantly lower because some JOBS activities do not count in TANF. Additionally, under JOBS, required hours are generally less than under TANF, and the hours are averaged across participants. Under TANF, each individual, in order to be counted, must meet the required hours of work.

PRO RATA REDUCTION IN THE WORK PARTICIPATION RATE

- States with net caseloads lower than FY 1995 levels will face a lower work participation rate.
- Reduction is equal to the percentage points (if any) that the average monthly number of families receiving aid in preceding year is less than the average monthly number of families receiving aid in FY 1995.
- Secretary will not count reductions due to changes in federal law or state eligibility criteria
- Reduction applies to appears to apply to two-parent families but probably a separate calculation.
- If caseloads rise above FY 1995 levels, states face full rate in next fiscal year

Rate Reduction Example:

If Secretary finds that a state's average monthly caseload in Fiscal Year 1998 was 14 percentage points lower than average monthly caseloads in FY 1995, the FY 1999 work participation rate requirement would be lowered by 14 percentage points to 21 % for all-families calculation.

<u>FY 1995 Av. # of Families</u>	<u>FY 1998 Av. # of Families</u>	<u>Reduction in caseload</u>	<u>FY 1999 New Adjusted Work Rate (35%-14%)</u>
70,000	60,000	14 %	21 %

Welfare Reform Waivers

Three categories:

1. in effect before August 22, 1996
 2. submitted before August 22, 1996 and granted before July 1, 1997
 3. granted after July 1, 1997
- Waivers Currently in Effect:
 - continue but only receive block grant funding
 - continue even if inconsistent with the law, including work
 - terminate all or part of waivers and held harmless from cost neutrality liabilities
 - must decide to terminate within 90 days after the adjournment of the first regular session of the state legislature enactment.

- Waivers submitted prior to enactment and approved by July 1, 1997
 - must comply with Sec. 407-work requirements even if the requirements are inconsistent with the terms of the waiver.
 - may continue if inconsistent with the other terms of the law.
- Waivers approved after July 1, 1997

- **TANF BLOCK GRANT EFFECTIVE DATE**
- **States must submit a state plan by July 1, 1997.**
- **States may “accelerate” the effective date and submit a state plan earlier.**
- **Early implementation will be fiscally advantageous for states that will receive a TANF grant that is higher than the matching funds it would receive under AFDC.**
- **The amount a state receives for FY 1997 is its annual TANF grant allocation pro rated by the number of days remaining in the fiscal year. If 180 days remain, state would receive $180/365$ ths of grant.**
- **A state will receive no more than its TANF block grant allocation in FY 1997 but it can get less.**
- **Submission of a complete state plan starts clock on federal 5-year time limit, penalty for misuse of funds, transition period for other penalties such as work and reporting.**

STATE PLAN SUBMISSION

45 day comment period on the state plan for local governments and private organizations.

Governor submits the plan. Does not need legislature's approval but state legislative changes may need to be enacted for full implementation.

Block grant funds received must be appropriated by the state legislature. "Brown Amendment"

State may amend plan later.

Secretary only to determine completeness of plan.

Plan is relatively brief. Must include an explanation of how a state will conduct its program of assistance, provide work and support services; require recipients to work; set goals and take action to reduce teen pregnancy plus a list of certifications.

Child Care Block Grant

- **Consolidates existing IV-A funding sources with the Child Care Development Block Grant.**
- **Eliminates open-ended federal match. No federal guarantee or individual entitlement to child care.**
- **Effective date of October 1, 1996. State legislature must appropriate funds.**
- **Almost \$20 billion in discretionary and mandatory dollars for the six years. CBO estimates enough to meet work requirement but \$1.4 billion short if also maintaining TCC and At-Risk spending.**
- **70% of mandatory dollars for welfare recipients, those transitioning off welfare and at-risk of welfare**

Child Care Funding Three funding streams

1. Discretionary funds - \$ 6 billion or \$1 billion annually

2. Mandatory no match- \$7.2 billion (\$1.2 billion annually) Base grant will be the greater of federal share of IV-A child care spending in:

FY 1992-1994 average

FY 1994

FY 1995

- **No state match, no MOE required**

3. Mandatory with match required-\$6.34 billion (\$723 million in FY 1997 increasing to \$1.46 billion in FY 2002)

- **MOE**
- **FY 1995 FMAP**
- **Formula -- Children under age 13**

Tribal set-aside 1 to 2% of all funds

Child Care - Other Provisions

- **Current law health and safety standards**
- **4% set-aside for quality includes consumer ed, R&R**
- **5% cap on administrative costs—mandatory and discretionary**
- **All funds to be administered by lead agency for CCDBG**
- **New and extensive reporting requirements**
- **Requirements of the CCDBG apply to all funds**

Medicaid Program

- Effective July 1, 1997, earlier at state option.
- Eligibility based on the income and resource standards for determining eligibility based on the state's AFDC state plan in effect on July 16, 1996
- A state can modify income and resource standard
 - may lower income standards but not below State plan standard on May 1, 1988
 - increase its income or resource standards over a period by a percentage that does not exceed the CPI
 - may use methodologies less restrictive than July 16, 1996
- Existing law regarding transition assistance to those losing eligibility due to increased child support or earnings or employment are continues.
- State waivers approved on or before July 1, 1997 may continue.
- increase federal share of administrative costs due to eligibility rules, up to \$500 million.

Medicaid Options

- Option to end assistance denied cash assistance because of refusal to work; pregnant women and minor children are protected.
- Option to provide, deny, deem or limit Medicaid to current non-citizens as of January 1, 1997. New immigrants are subject to a 5 year bar and states have the option to bar until citizenship.

LEGAL IMMIGRANTS

ALL STATES MUST HAVE PROCEDURES

NEW STATE ROLE

POTENTIAL FOR LITIGATION

CASE LAW (*GRAHAM V. RICHARDSON*)

APPLIES TO NON-CITIZENS:

1. SPONSORED LEGAL IMMIGRANTS: AT THE STATE DEPARTMENT'S DECISION, MANY SPONSORS SIGNED NON-BINDING AFFIDAVITS OF SUPPORT; DEEMING AND BARS APPLY
2. REFUGEES: DON'T HAVE SPONSORS. NO DEEMING. FOOD STAMP AND SSI BARS APPLY AFTER FIRST FIVE YEARS IN THE COUNTRY.
3. OTHER KINDS OF LEGAL IMMIGRANTS: FOR LEGAL IMMIGRANTS WITHOUT SPONSORS, BARS APPLY
4. UNDOCUMENTED OR ILLEGAL IMMIGRANTS ARE INELIGIBLE FOR THESE PROGRAMS.

CURRENT LAW:

DEEMING OF SPONSORS INCOME FOR THREE PROGRAMS: AFDC, SSI, FOOD STAMPS

AFFADAVITS OF SUPPORT:

SIGNED BY SPONSORS OF LEGAL IMMIGRANTS.
INS TO CREATE NEW BINDING AFFADAVIT
SHORTLY

NEW DEEMING REQUIREMENTS APPEAR TO
ONLY APPLY TO LEGAL IMMIGRANTS WITH
NEW BINDING AFFADAVITS OF SUPPORT

FIVE CATEGORIES:

1. PERMANENT BAR FOR TWO PROGRAMS
2. 5 YEAR PROSPECTIVE BAR ON "FEDERAL MEANS TESTED PROGRAMS"
3. STATE OPTION TO BAR TANF, MEDICAID, SSBG
4. STATE OPTION TO BAR AND DEEM IN OWN PROGRAMS
5. EXTENDED DEEMING OF SPONSORS

LEGAL IMMIGRANT RESTRICTIONS

PERMANENT BAR FOR NON-CITIZENS

1. APPLIES TO FOOD STAMPS AND SSI
2. APPLIES TO ALL LEGAL IMMIGRANTS AND TO REFUGEES HERE IN THE US FOR MORE THAN 5 YEARS
3. EXEMPTIONS FOR 40 QUARTERS OF WORK, VETERANS, REFUGEES HERE LESS THAN 5 YRS
4. DOES NOT APPLY TO CITIZENS

5 YEAR PROSPECTIVE BAR

1. APPLIES TO LEGAL IMMIGRANTS WHO ENTER THE COUNTRY AFTER 8/22/96
2. DOES NOT APPLY TO REFUGEES

STATE OPTION TO BAR:TANF, MEDICAID, SSBG

1. AFTER 1/1/97, STATES CAN CHOOSE TO BAR LEGAL IMMIGRANTS FROM THESE PROGRAMS
2. STATE OPTION APPLIES AFTER THE 5 YEAR PROSPECTIVE BAR FOR THOSE IMMIGRANTS WHO ARRIVE AFTER 8/22/96

STATE PROGRAM OPTION TO BAR AND DEEM

1. APPLIES TO CURRENT AND FUTURE IMMIGRANTS

EXTENDED DEEMING
OF "FEDERAL MEANS-TESTED PROGRAMS

1. INCLUDING SPONSOR'S INCOME (DEEMING)
APPLIES UNTIL CITIZENSHIP OR 40 QUARTERS
OF WORK

2. UNCERTAINTY ABOUT "FEDERAL MEANS-
TESTED PROGRAMS

3. APPEARS TO APPLY ONLY TO THOSE WITH
NEW AFFIDAVITS OF SUPPORT

*** IF NOT, ALL CURRENT TANF RECIPIENTS
MUST BE REVIEWED FOR CITIZENSHIP STATUS.

4. FOR LEGAL IMMIGRANTS WHO ARRIVE AFTER
8/22/96, DEEMING APPLIES AFTER THE FIVE
YEAR BAR UNTIL CITIZENSHIP OR 40
QUARTERS/10 YEARS OF QUALIFIED WORK

SUPPLEMENTAL SECURITY INCOME (SSI)

---- CURRENT LAW MOE MAINTAINED FOR STATES
WITH OPTIONAL STATE SUPPLEMENTS FOR SSI.

---- BAR FOR NONCITIZENS

1. EXEMPTIONS: 40 QUARTERS OF WORK
 VETERANS
 REFUGEES FOR FIRST 5 YRS IN US

SSI AND DRUG AND ALCOHOL ABUSE (DAA)

SENIOR CITIZEN RIGHT TO WORK ACT (P.L.101-121)

---- JANUARY 1, 1997 DEADLINE FOR CURRENT
RECIPIENTS; NO NEW APPLICANTS ACCEPTED

--- DAA IS A "CONTRIBUTING FACTOR" TO THE
DISABILITY

----FOR SSI, SSDI, MEDICAID AND MEDICARE

SUPPLEMENTAL SECURITY INCOME (SSI)

CHANGES TO THE DISABLED CHILDREN'S PROGRAM

---- NO BLOCK GRANT

---- ASSESSMENT OF DISABILITY FOR CHILDREN

1. MAINTAINS MEDICAL LISTINGS
2. ELIMINATES INDIVIDUAL FUNCTIONAL ASSESSMENT (IFA)
3. ELIMINATES COMPARABLE SEVERITY STANDARD
4. "MALADAPTIVE BEHAVIOR" IS NOT A CRITERIA (RETROACTIVE BENEFITS MUST BE SPENT ON EDUCATION/REHABILITATION)
5. CURRENT CHILD RECIPIENTS FOUND INELIGIBLE NOT TO LOSE BENEFITS BEFORE 7/1/97
6. CONTINUING DISABILITY REVIEWS EVERY 3 YEARS/1 YEAR FOR NEWBORNS

REGULATION E RELIEF ACT

FOOD STAMPS

- No block grant. Retains current structure.**
- \$27 billion in reductions for FY 1996-2002.**
- New work requirement for able-bodied 18-50 years old. In any three year period, no food stamps after 3 months if not employed, in job training or workfare.**
- No food stamp increase if an individual is sanctioned in another public assistance program.**
- Simplified Food Stamp Program to conform rules for eligibility and standardize deductions.**
- Expanded waiver authority but some restrictions relative to benefit reductions. Work supplementation and some cash-out permitted.**
- Substantial savings through adjusting the thrifty food plan, freezing the standard deduction, capping then slowly increasing the excess shelter deduction in later years, freezing the vehicle asset allowance.**
- Exempts states from certain reporting, data collection and fair hearing requirements.**

Child Nutrition

--Two-tiered reimbursement for family day care homes in the Child and Adult Care Food Program.

- **Current rates for day care homes in low income areas or operated by low income providers**
- **Lower rates for others**

--Reductions in the reimbursement rate in Summer Food Program for breakfasts, lunches, and snacks starting Jan. 1, 1997.

Child Welfare

- Eligibility determined for cash assistance as of June 1, 1995; different than Medicaid
- no child welfare block grant
- Emergency assistance eliminated; in TANF
- Enhanced funding for Child Welfare information systems extended

CHILD SUPPORT ENFORCEMENT (CSE)

1. WOULD BE THE MAJOR FOCUS OF A LEGISLATIVE SESSION BY ITSELF
2. EXPANDED AND ENHANCED ROLE OF THE IV-D AGENCY
3. EXTENDED DEADLINES FOR CURRENT AUTOMATION REQUIREMENTS
4. MAJOR EXPANSION OF AUTOMATION
5. FOCUS ON IMPROVING INTERSTATE CASES

COOPERATION WITH CSE

1. APPLICANTS AND RECIPIENTS OF TANF AND MEDICAID MUST ASSIGN SUPPORT RIGHTS AND COOPERATE IN GOOD FAITH. FAILURE TO COOPERATE WITHOUT GOOD CAUSE LEADS TO A 25% DEDUCTION IN THE FAMILY'S GRANT.
2. STATES WHO DO NOT COMPLY WITH THE 25% DEDUCTION WILL LOSE 5% OF THEIR TANF.

DISTRIBUTION OF ARREARS

1. RETAINS CURRENT LAW FOR COLLECTIONS BEFORE 10/1/97
2. POST-ASSISTANCE ARREARS COLLECTED AFTER 10/1/97 MUST BE DISTRIBUTED TO THE FAMILY FIRST.
3. AFTER 10/1/2000, DISTRIBUTION OF PRE-ASSISTANCE ARREARS TO THE FAMILY FIRST.

\$50 DISREGARD -- MAJOR DRAFTING ERROR

1. REPEALS FEDERAL LAW REQUIRING A \$50 PASSTHROUGH EACH MONTH
2. STATES MAY CONTINUE BUT WITHOUT FEDERAL COST SHARE
3. ERROR IS THAT PASSTHROUGH IS REPEALED ON OCTOBER 1ST, BUT STATES CANNOT DISCONTINUE UNTIL THEIR STATE PLAN IS SUBMITTED.
4. IN STATES WHERE THE PASSTHROUGH IS IN STATE LAW, IT CANNOT BE DISCONTINUED WITHOUT LEGISLATIVE ACTION.
5. IN THE INTERIM, STATES BEAR THE FULL \$\$.

INCOME WITHHOLDING

1. STATES MUST TRANSMIT TO EMPLOYERS WITHIN 2 DAYS; EMPLOYERS HAVE 7 DAYS TO SEND WITHHOLDING TO THE STATE.

2. STATES MUST PROCESS BOTH IV-D AND NON-IV-D CASES, BUT ONLY SEND WITHHOLDING ORDERS FOR IV-D CASES

PATERNITY ESTABLISHMENT

1. STATES MUST MEET AN INCREASED PERCENTAGE FROM 75% TO 90%.

2. STATE BIRTH RECORD AGENCIES MUST OFFER PATERNITY SERVICES AND FILE PATERNITY ORDERS AND ACKNOWLEDGMENTS

3. AN ACKNOWLEDGMENT BECOME A LEGAL FINDING IN 60 DAYS UNLESS CHALLENGED.

4. STATES MUST USE AN AFFIDAVIT THAT MEETS MINIMUM NATIONAL STANDARDS

5. FULL FAITH AND CREDIT MUST BE GIVEN TO OTHER STATES' AFFIDAVITS

6. STATES MUST PAY FOR STATE-ORDERED TESTS, CAN RECOUP COSTS

7. STATES MUST ADMIT GENETIC TESTS WITHOUT FOUNDATION

8. STATES MUST CREATE A REBUTTABLE ASSUMPTION OF PATERNITY AFTER TESTS

9. THE PUTATIVE FATHER HAS NO RIGHT TO A JURY TRIAL.

THE IV-D AGENCY MUST HAVE AUTHORITY:

1. TO ORDER GENETIC TESTS
2. TO SUBPOENA FINANCIAL AND CONSUMER INFORMATION AND IMPOSE PENALTIES FOR NON-COMPLIANCE
3. TO REQUIRE EMPLOYERS TO PRODUCE EMPLOYMENT COMPENSATION AND BENEFITS INFORMATION ABOUT AN EMPLOYEE
4. TO OBTAIN RECORDS INCLUDING TAXES, LICENSES, PROPERTY, CRIMINAL
5. TO MODIFY OR ENFORCE A SUPPORT ORDER

FOOD STAMPS

-- STATE OPTION TO WITHHOLD FS FROM
CUSTODIAL PARENTS WHO DO NOT COOPERATE
AND NON-CUSTODIAL PARENTS WHO ARE
DELINQUENT IN CHILD SUPPORT

ENFORCEMENT OF ORDERS

1. WITHHOLDING OF PASSPORTS
2. STATES MUST PASS LAWS TO CREATE
AUTHORITY TO WITHHOLD DRIVER'S,
PROFESSIONAL, OCCUPATIONAL AND
RECREATIONAL LICENSES

MORE ENFORCEMENT

1. PURSUANT TO AN ADMINISTRATIVE
SUBPOENA, STATES MUST OBTAIN ACCESS TO
UTILITIES, CABLE AND FINANCIAL
INSTITUTIONS RECORDS
2. STATES MUST REPORT ARREARAGE TO
CREDIT BUREAUS
3. CREDIT BUREAUS MUST FURNISH REPORTS
TO IV-D AGENCIES
4. STATES MUST SEIZE LUMP SUMS, IMPOSE
LIENS, ATTACH ASSETS, FORCE PROPERTY SALE

INTERSTATE IMPROVEMENTS

1. STATES MUST PASS THE UNIFORM INTERSTATE FAMILY SUPPORT ACT (UIFSA) BY 1/1/98
2. FOR INTERSTATE CASES, FEDERAL FORMS MUST BE USED BY 3/1/97
3. FULL FAITH AND CREDIT TO OUT OF STATE ORDERS AND LIENS
4. STATES MUST RESPOND TO AN INTERSTATE CASE IN 5 DAYS.

INCENTIVE SYSTEMS

--- HHS MUST DEVELOP A NEW SYSTEM AND IMPLEMENT BY 10/1/99

EFFECTIVE DATE

1. FOR STATE PLANS, OVERALL 10/1/96
2. FOR STATE LAWS, THE FIRST DAY OF THE FIRST QUARTER AFTER THE CLOSE OF THE FIRST REGULAR LEGISLATIVE SESSION
3. ADDITIONAL TIME FOR STATE CONSTITUTIONAL CHANGE

AUTOMATION REQUIREMENTS

--FSA deadline extended to 10/1/97

--90% enhanced match extended for two years based on APD.

New State Systems

Case Registries

--Regulation deadline 10/1/1998

--System deadline 10/1/2000 with day for day extension for late regulations.

--System Requirements:

transmit withholding order to employers

monitor defaults

use automatic enforcement

central case registry or linked local 4-D cases

all support orders from 10/1/98

payment records

New State systems:

Collection and Disbursements

- Centralized automated unit required by 10/1/98
Must process IV-D, and certain non-IV-D orders

--Directory of New Hires

- Required 10/1/97

- Data matches between case registry and directory
require by 10/1/98

- Employers report 20 days from hire or first pay and
may report to one state

--Information deadlines

- 5 days to enter new hires
- 3 days to report to national directory
- 2 days to send withholding notices

Federal Requirements

Federal Parent Locator Service

---National Case Registry Established

States required to send abstracts and match data

---National Directory of New Hires Established 10/1/97

Required to match data every two days and
report to states

Procedures for domestic violence, child abuse

Authority: establish parentage, setting,
modifying, and enforcing orders

Enforcing custody and visitation

Social Security Administration Letter Sent to Advocacy Groups, October 24, 1996 Describing
New Eligibility Requirements and Timeframes for Non-citizens

Dear Colleague:

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was signed. This law contains several provisions affecting the payment of Supplemental Security Income (SSI) benefits to noncitizens. The Administration is committed to working to ensure the new law is implemented in a manner that fully protects the rights of those affected.

These provisions affect noncitizens who are currently receiving SSI benefits, as well as noncitizens who may apply for benefits in the future. We want to inform you of our plans for implementing the major provisions of the law so you are equipped to provide help to any legal immigrants with whom your groups works.

The new law prohibits payment of SSI to many noncitizens. The law is effective upon enactment for noncitizens applying for SSI benefits after August 22, 1996. For those currently receiving SSI benefits, their benefits will continue until we have reviewed their case, which will occur next Spring and Summer. Only the following noncitizens remain eligible for SSI:

- Refugees, asylees and noncitizens whose deportation has been withheld (subject to 5-year eligibility limit).
- Certain active duty Armed Forces personnel and honorably discharged veterans. Their spouses/children also may qualify.
- Lawfully admitted aliens who have 40 qualifying work quarters (quarters earned by spouse/parents may also count).

It would be helpful if you would inform your constituents who are immigrants about the new law. In particular, to avoid alarming SSI beneficiaries that their benefits will terminate immediately under the new law, you can assist us in informing noncitizens currently receiving SSI that their benefits will not be stopped until the following steps have been followed:

- They receive a notice (sometime in February or March 1997) from the Social Security Administration (SSA) telling them we will be reviewing their citizenship or immigration status and they have 90 days to respond.
- After the 90-day-period, if they are not in one of the eligibility categories, they will receive another letter from SSA telling them when their benefits will be stopped. This letter will explain how they can appeal the decision and how they can have their benefits continued during their appeal.

A general informational fact sheet describing how the new law affects noncitizens is enclosed.

Sincerely,

Joan Wainwright
Deputy Commissioner
for Communications

Enclosure

Social Security Administration Letter Sent to State Human Services Directors,
October 24, 1996 Describing New Eligibility Requirements and Timeframes for Non-citizens

Dear Human Services Director:

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was signed. This law contains several provisions affecting the payment of Supplemental Security Income (SSI) benefits to noncitizens. The Administration is committed to working to ensure the new law is implemented in a manner that fully protects the rights of those affected.

These provisions affect noncitizens who are currently receiving SSI benefits, as well as noncitizens who may apply for benefits in the future. We want to inform you of our plans for implementing the major provisions of the law so your State is equipped to provide help to those who may have questions or concerns.

The new law prohibits payment of SSI to many, but not all, noncitizens. The law is effective upon enactment for noncitizens applying for SSI benefits after August 22, 1996. For those currently receiving SSI benefits, their benefits will continue until we have reviewed their case, which will occur next Spring and Summer. Only the following noncitizens remain eligible for SSI:

- Refugees, asylees and noncitizens whose deportation has been withheld (subject to 5-year eligibility limit).
- Certain active duty Armed Forces personnel and honorably discharged veterans. Their spouses/children also may qualify.
- Lawfully admitted aliens who have 40 qualifying work quarters (quarters earned by spouse/parents may also count).

We are asking for your help in informing your constituents who are immigrants about the new law. In particular, to avoid alarming SSI beneficiaries that their benefits will terminate immediately under the new law, we are asking for your help in making sure that noncitizens currently receiving SSI understand that their benefits will not be stopped until the following steps have been followed:

- They receive a notice (sometime in February or March 1997) from the Social Security Administration (SSA) telling them we will be reviewing their citizenship or immigration status and they have 90 days to respond.

- After the 90-day-period, if they are not in one of the eligibility categories, they will receive another letter from SSA telling them when their benefits will be stopped. This letter will explain how they can appeal the decision and how they can have their benefits continued during their appeal.

A general informational fact sheet describing how the new law affects noncitizens is enclosed.

Sincerely,

Carolyn W. Colvin
Deputy Commissioner
for Programs and Policy

Enclosure

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

25-Oct-1996 02:55pm

TO: Carol H. Rasco

FROM: Jeremy D. Benami
Domestic Policy Council

CC: Elizabeth E. Drye
CC: Diana M. Fortuna

SUBJECT: Welfare issues/budget/POTUS memo

Diana and I went to a meeting today on the issue of cost neutrality and waivers. I think you know the issue so I won't go into depth here -- but please let me know if you would like a more thorough description of the issue if I am wrong!

Key issue is Medicaid and specifically waivers that extend transitional benefits from one to two or three years. Obviously this costs money - and in the pre-WR days, a state proposing such an expansion usually put up AFDC savings as the offset. Now that AFDC has become the TANF block grant, there are no savings to be had in future years and the Medicaid transtion expansion is a straightforward cost. So the question: (1) What to do about EXISTING waivers which are supposed to be cost neutral and (2) What to do about the 30 states that don't have such waivers, but may want them?

HHS believes, and Diana and I agree, that these benefits are critical to welfare reform. Continuing existing waivers could cost \$1 billion through 2002. Expansion to all states could cost over \$2 billion through 2002. These numbers are very rou, and neither Diana or I feel extraordinarily comfortable with them, but they'll do to give you a sense of the scope.

No question in my mind, though, that this is a budget issue - and will cost us \$ to continue or expand.

NEXT STEPS

This issue now goes into the hopper with the SSI kids and the 18-50 Food Stamp waiver as questions that really can't be answered in isolation, but have to be considered in the context of the entire budget, the entire scope of welfare "fixes" and the limited \$ available for those fixes.

As you know, OMB has been told by Frank Raines to put together a budget memo that puts all these issues in context for the

President's consideration on his way to or during the APEC summit. I originally wrote to you about this regarding just SSI kids and the 18-50s. It is pretty apparent that this memo actually needs to be broader, putting all the issues on the table, providing context and making the tradeoffs clear.

I have made it clear to both Jack Lew and Ken Apfel that you want/need to be a co-signor of this letter. It is VERY important, I think, that you reiterate this point with Frank Raines directly -- perhaps at your weekly one-on-one with him or following the SSI kids meeting on Friday. Jack and Ken were very open to the notion that it should be a joint memo - but both were clear that they needed the go-ahead from Frank, who may have indicated to them that he views this as a budget memo. I share their anxiety, however, that this memo not be any more widely known or circulated.

ONE FINAL NOTE

You should note that this process creates a timeline which means that on several MAJOR issues where states and others are waiting for answers from us, it may be a month or more before we can provide guidance. I don't think there is any alternative, this is the right way to do it. It's just critical to lower expectations about the timing of answers. I suspect some answers may not be possible until the budget gets wrapped up in December.

If you have any questions, please let me know.

IMPLEMENTATION STATUS - EXTENSION OF CERTIFICATION PERIOD FOR ALIENS

Region/State	Plans to Implement
NERO	
Connecticut	Most likely
Maine	Probably No
Massachusetts	Most likely
New Hampshire	No
New York	Most likely
Rhode Island	Yes
Vermont	Most likely
MARO	
Delaware	No (not enough alien HHs)
District of Columbia	Yes
Maryland	Yes
New Jersey	Yes
Pennsylvania	Leaning toward No
Virginia	Yes
Virgin Islands	Yes
West Virginia	Has not yet decided
SERO	
Alabama	Yes
Florida	Yes
Georgia	Yes
Kentucky	Yes
Mississippi	Yes
North Carolina	Yes
South Carolina	Yes
Tennessee	No
SWRO	
Arkansas	Yes
Louisiana	Yes
New Mexico	Not yet decided
Oklahoma	Not yet decided

Region/State	Plans to Implement
SWRO, cont.	
Texas	Not yet decided
MWRO	
Illinois	Yes*
Indiana	Yes
Michigan	No (12 month certs)
Minnesota	Yes
Ohio	Does not know if can use waiver
Wisconsin	Yes
MPRO	
Colorado	Unsure
Iowa	Yes
Kansas	Not returning calls
Missouri	Yes
Montana	Unsure
Nebraska	Yes
North Dakota	Unsure
South Dakota	Yes
Utah	Yes
Wyoming	Unsure
WRO	
Alaska	Yes (but many 12 month certs)
Arizona	Yes
California	No (12 month certs)
Hawaii	Yes (but many 12 month certs)
Guam	Yes (but many 12 month certs)
Idaho	Yes**
Nevada	Yes***
Oregon	Yes (but many 12 month certs)
Washington	Yes

- 1 * Illinois: System cannot identify HHs with legal aliens. Recertification notices will be sent out as usual.
When recipients come in for recertification interview, worker will first check to see if a HH member is a legal alien (and does not meet one of the exemptions). If yes, and if HH has not already had a 12 month cert period, worker will explain that law has changed and that the HH's cert period is being extended.
- ** Idaho: Extending cert periods to 12/31 for households whose certification periods end in September, October, or November only.
- *** Nevada: New applications:
Through Friday 9/13, will approve for 6 months
As of Monday 9/16, will deny cases that do not meet 402 criteria

To: Frank Raines
Jack Lew
Bruce Reed
Rahn Emanuel
Larry Haas
Nancy Ann Min
Joe Minarik

From: Ken Apfel (through Jack Smallgin)

Re: Summary of key changes in
benefits for immigrants provision
in Immigration welfare bill

CHANGES FROM BENEFITS FOR IMMIGRANTS PROVISIONS IN
IMMIGRATION CONFERENCE BILL

Six month grace period for current Food Stamp recipients from
immigrant bans enacted in Welfare Reform.

- o Grace period would provide current Food Stamp recipients affected by the Welfare Reform immigration ban with benefits until April 1, 1997 in order to provide time to adjust to the denial of benefits. It would make the Food Stamp provision more consistent with the implementation schedule for the SSI immigrant ban.

Reductions in income level requirements for sponsoring legal
immigrants support family reunification.

- o The Immigration conference bill would have required immigrants to have incomes at 140% of poverty to sponsor a spouse or a son or daughter and 200% to sponsor other family members. The final bill provides for a 125% of poverty level for all immigrants and removes other obstacles to sponsoring immigrants. The changes support the goal of family reunification by establishing reasonable income standards for sponsoring family members.

Requirements to deport and deny naturalization for immigrants who
use means-tested benefits dropped.

- o The final bill drops punitive public charge provisions for immigrants who use means tested programs.

Application of deeming rules to immigrants currently in the
country dropped.

- o The Immigration conference bill would have required immigrants in the country for less than 5 years to be subject to deeming for their first five years in the country. The final bill drops this provision and makes this policy consistent with Welfare Reform.

New significant exemptions to the restrictions in Welfare Reform
law.

- o New exemption provided for non-profit charitable organizations from verification requirements in Welfare Reform.
- o New exemption provided for battered immigrants and indigent immigrants from deeming restrictions in Welfare Reform.

Drops the provision that would have restricted HIV treatment to immigrants.

- o The Immigration conference bill would have restricted HIV treatment for immigrants. The final bill drops this provision.

Burdensome verification requirements substantially moderated.

- o The Immigration conference bill would have significantly expanded the verification requirements already enacted in Welfare Reform. The final bill replaces this provision with language that ensures a person applying for benefits provides proof of citizenship in a fair and nondiscriminatory manner.

Restrictions on use of emergency medicaid dropped.

- o The Immigration conference bill would have held sponsors of immigrants legally responsible for emergency medicaid costs. The final bill drops this provision.

10K
F-4E
5

The Administration reached a bipartisan agreement today with the Congress on sweeping illegal immigration enforcement legislation. This bill supports the Administration's strategy of regaining control of our borders; protecting legal workers thorough worksite enforcement; and aggressively removing criminal and other deportable aliens.

While this legislation provides additional tools to fight illegal immigration, the Administration was successful in protecting legal immigrants. We are pleased that the provision to deny public education to some children was dropped. This provision would have shifted enforcement from the borders and worksites to classrooms and made children susceptible to gangs and violence.

This bill supports our enforcement efforts by:

- * Increasing border personnel, equipment and technology.
- * Increasing enforcement personnel at land and air, ports of entry.
- * Increasing anti-smuggling authority.
- * Increasing penalties for alien smuggling.
- * Increasing penalties for failure to depart, illegal reentry and passport and visa fraud.
- * Increasing INS investigators for worksite enforcement, alien smuggling and visa overstayers.
- * Increasing detention space for criminal and other deportable aliens.
- * Establishing three voluntary pilot programs to confirm the employment eligibility of workers.
- * Reducing the number and types of documents that may be presented to employers for identity and eligibility to work.
- * Barring re-entry of individuals who renounced their U.S. citizenship in order to avoid U.S. tax obligations.

The final agreement conforms to the Administration's principles of fighting illegal immigration without sacrificing the nation's proud heritage of legal immigration.

- * The Administration worked to focus this legislation on immigration enforcement rather than severe reductions in legal immigration which were inconsistent with pro-family, pro-work and pro-naturalization principles.

* The original bill was a backdoor attempt to significantly curtailing legal immigration. It set sponsorship requirements so high that 36% of U.S. citizens and 60% of legal permanent residents would have been denied the ability to reunite with close family members. The bipartisan agreement, setting income requirements for sponsors of legal immigrants at 125% of poverty level and making affidavits of support enforceable, strengthens the sponsorship requirement while preserving the basic ability of families to reunify.

* The original legislation would have significantly eroded health care for immigrants. The bipartisan compromise assures that public health protections will be preserved for the benefit of the nation as a whole.

* The original legislation restrictions on means-tested public benefits applied to far many more programs than welfare reform. The bipartisan compromise drops these provisions.

Finally, the bill restores the Attorney General's traditional discretion to determine whether people fleeing persecution can be provided safe haven in the United States while assuring that asylum abusers cannot take advantage of our nation's generosity and compassion.

**POTENTIAL IMPACTS OF WELFARE REFORM SSI CHANGES ON
THE TITLE IV-E FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS**

THE LINK BETWEEN TITLE IV-E AND SSI:

A child who is eligible for Supplemental Security Income (SSI) is eligible for title IV-E adoption assistance if the child meets all of the special needs criteria at the initiation of the adoption proceedings. The special needs criteria are:

- 1) the child cannot or should not be returned home; 2) there exists a specific factor or condition because of which it is reasonable to conclude that the child cannot be placed for adoption without providing title IV-E adoption assistance; and, 3) except where it would be against the best interests of the child, a reasonable, but unsuccessful, effort has been made to place the child without title IV-E adoption assistance.

POTENTIAL IMPACTS OF NEW SSI ELIGIBILITY CRITERIA:

- Fewer special needs children will be eligible for the title IV-E Adoption Assistance Program.

The change in definition for "childhood disability" under the SSI Program instituted under the Personal Responsibility and Work Opportunity Reconciliation Act is more restrictive than the current definition. For example, some children with emotional and behavioral disorders may no longer be eligible for SSI based on the new definition of childhood disability. Therefore, title IV-E adoption assistance subsidy will not be available for some special needs children who were eligible for this program based on their SSI eligibility. The more restrictive SSI criteria will apply both to future SSI eligibility determinations, as well as to redeterminations of eligibility for children currently receiving SSI.

- Without an SSI or title IV-E adoption assistance subsidy, it may be more difficult to find adoptive placements for special needs children, because potential adoptive families may lack the resources to care for them.

- There may be an increase in the number of disabled children and families who enter the child welfare system.

Some families will lose SSI eligibility due to the more restrictive SSI eligibility criteria, which will increase financial pressures on families. Financial pressures can compound the stress which the family may already experience, potentially resulting in a need for child welfare services, including out-of-home placements.

- Because some children will lose SSI eligibility, States may begin to claim title IV-E foster care and adoption assistance reimbursement for children in foster or adoptive placements, who were previously supported by SSI.



United States
Department of
Agriculture

Food and
Consumer
Service

3101 Park Center Drive
Alexandria, VA
22302-1500

Honorable Kevin Concannon
Commissioner
Department of Human Services
State House, Station 11
Augusta, Maine 04333

DRAFT

cos hates warm + fuzzy

*- Being cleared by
Sen. Quickman's office
today*

Dear Commissioner Concannon:

deser. now State ? guidance or info on
This letter ~~contains~~ requirements for State agency implementation of the Food Stamp Program (FSP) provisions of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 signed by the President on August 22, 1996. We are also providing information regarding proposed and interim rules FCS will publish and guidance relating to the Simplified Program option, FCS waiver authority, and quality control. Additional information regarding implementation of the provisions affecting noncitizens will be provided separately.

Provisions and implementation dates

*Happy lang - looking
for to wkg w/ you?*

The enclosed charts indicate the method by which FCS is implementing each provision of the legislation and the timeframe for State agency implementation. Within each chart, provisions are grouped by program area, such as certification, disqualification, claims, work requirements, and State flexibility. As indicated in the FCS implementation column, we plan to publish an interim regulation to implement the provisions of the law concerning changes in allotments, deductions, household composition, and the fair market value of vehicles. These provisions require no interpretation or discretion. The rule will, however, have a brief comment period. Proposed rules will be published addressing the other provisions.

Part A of the enclosure lists the provisions that are effective on the date of enactment. We understand the burden that immediate implementation places on State agencies; however, in the absence of specific implementation language in the legislation for these provisions, State agencies are required by Federal law to implement these provisions as of the date of enactment. Specific implementation procedures are provided on the enclosure.

Part B lists provisions for which Congress provided specific implementation requirements. These provisions have a variety of required implementation dates. Changes in allotments and deductions must be implemented as mass changes.

~~should~~
Part C lists options available to State agencies. State agencies ~~need to~~ submit amendments to the State Plan indicating the options that have been selected. One of the

*why such a rush
- 3 day com't
- State ~~wait~~ wait*

research
and amel.

options addresses the homeless shelter allowance. Prior to the PRWORA, section 11(e)(3) of the Food Stamp Act required State agencies to establish standard estimates of the shelter expenses of homeless households. This estimate was used determining the household's excess shelter expense unless the household verified higher expenses. Section 809 of the PRWORA changed the required standard estimate to an optional homeless shelter allowance and added it to section 5(e)(5) of the Food Stamp Act as a separate deduction between the child support and medical deductions. Although the legislative history indicates that the allowance was to be used in calculating an excess shelter expense deduction, the statutory language does not reflect that intent. Therefore, State agencies must discontinue use of the homeless expense estimate and may opt to use a homeless expense deduction as provided by the PRWORA.

legal
issue?
↓

Part D lists provisions which remove current requirements and have no mandatory implementation action. State agencies will be able to modify current procedures in accordance with their own schedules.

interpretation?

Simplified Program

The legislation provides States agencies the option of operating a Simplified Food Stamp Program (SFSP) in a political subdivision of a State or Statewide. The SFSP is restricted to public assistance households who receive cash assistance under the Temporary Assistance to Needy Families (TANF) programs operated under Title IV-A of the Social Security Act. However, States may request inclusion of mixed nonpublic assistance (NPA) and TANF households. The Simplified Program allows a State to substitute many TANF rules for food stamp rules in an effort to streamline administration. NPA households cannot be included in the SFSP.

The operation of any SFSP must be approved by USDA. Additionally, SFSP cannot increase Federal costs for any fiscal year and must comply with certain statutory FSP requirements. If USDA withdraws approval of a State's SFSP due to noncompliance, the State is ineligible to operate a SFSP in the future. Optional provisions are also available to the State under SFSP. The specifics of the requirements and options will be included in subsequent guidance.

in law?

FCS Waiver Authority

The legislation amends Section 17(b) of the Food Stamp Act to significantly expand USDA's waiver authority to conduct pilot or experimental projects that improve program administration, increase self-sufficiency, allow greater conformity with the rules of other programs, and that are consistent with the goal of providing food assistance to raise levels of nutrition among low-income individuals.

say something nice

Projects have restrictions relative to the percentage of benefit reduction and affected households and duration. In addition, USDA is prohibited from approving projects that include certain components. As with the SFSP, the specifics of the statutory parameters will be provided in subsequent guidance.

Quality Control

Provisions effective upon enactment:

Changes affecting currently participating households are to be implemented upon recertification, at the household's request, or when it is necessary to implement other changes affecting the household. The following procedures will be used for all cases with review dates after enactment of the law.

Beginning 30 days after enactment, there will be a 120-day variance exclusion period for any States that have implemented the provisions of the PRWORA. During this period, reviewers will exclude all variances that resulted from any misapplication of the new provisions. If a State has not implemented the required changes within 30 days after enactment for the required households, reviews will be conducted against the new provisions and errors will be cited as appropriate. If a State implements later than 30 days following enactment, but before the 120 days expire, the subject variances will be excluded for the number of days remaining in the 120-day period.

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Reviews will be conducted against States' preimplementation policies (1) during the 30 days following enactment for all cases that have not yet been converted to the new provisions and (2) after the 30 days for all cases that were not required to have been converted to the new provisions. The 120-day variance exclusion period will be administered in accordance with 7 CFR 275.12(d)(2)(vii) as modified by the Mickey Leland Childhood Hunger Relief Act (Public Law 103-66).

Provisions effective October 1, 1996 and January 1, 1997:

Mass change provisions - Quality control reviews will be conducted based upon the new provisions for all cases with review dates on or after the effective date of the provisions. The 120-day variance exclusion period will not apply to these mass changes.

Fair Market Value provision - Quality control reviews will be conducted based upon the new provisions for all cases certified, recertified or otherwise requiring conversion after October 1, 1996. The 120-day variance exclusion period will begin October 1, 1996 for this provision for all States that have implemented.

Work requirement provision of Section 824:

States must implement this provision by notifying applicants and recipients of the application of the work requirement no later than November 22, 1996. This provision is not effective until the earlier of: (1) the date the State notifies the applicable households or

(2) three months following enactment. Three months following the effective date, individuals that do not meet the requirements of this provision will become ineligible. Therefore, for this provision, the 120-day variance exclusion period will begin three months following the State's effective date.

We hope the enclosed information will be helpful to you in implementing the provisions of the law. Please contact your regional office if you have any questions.

Sincerely,

Yvette S. Jackson
Deputy Administrator
Food Stamp Program

Enclosures

IMPLEMENTATION CHART GUIDE

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109	Elimination of child support pass-through option	Part D - FCS Action
109	References	Part D - FCS Action
115	Drug disqualification	Part B - Drug Disqualification
402	Alien eligibility	Part B - Alien Eligibility
404	Alien notification	Part A - Certification
421	Sponsored aliens	Part A - Certification
801	Definition of certification period	Part A - Certification
803	Treatment of children living at home	Part A - Certification
804	Adjustment of Thrifty Food Plan	Part B - Allotment, Shelter and Vehicle Adjustments
805	Definition of homeless individual	Part A - Certification
807	Earnings of students	Part A - Certification
808	Energy assistance	Part A - Certification
809	Earned income deduction disallowance for failure to report	Part A - Certification
809	Earned income deduction disallowance on work supplementation income	Part A - Certification
809	Homeless shelter allowance	Part C - Miscellaneous
809	Standard utility allowance - switching	Part A - Certification
809	Excess shelter limit	Part B - Allotment, Shelter Limit, and Vehicle Adjustments
809	Standard deduction	Part D - FCS Action
809	Standard utility allowance option	Part C - Miscellaneous

Section	Provision	Chart
810	Vehicle allowance	Part B - Allotment, Shelter Limit, and Vehicle Adjustments
811	Vendor payments for transitional housing	Part A - Certification
812	Simplified calculation of self-employment income	Part C - FCS Action
813	Doubled penalties for violating Program rules	Part A - Program Violation
814	Disqualification of convicted individuals	Part A - Program Violation
815	Work disqualification	Part A - Work Requirements
815	Optional work requirements	Part C - Optional Work Requirements
816	Optional work requirements	Part C - Optional Work Requirements
817	Employment and training	Part D - State Flexibility
818	Alien income option	Part C - Miscellaneous
819	Optional disqualification	Part C - Optional Disqualification
820	Multiple benefits disqualification	Part A - Program Violation
821	Fleeing felons	Part A - Program Violation
822	Child support cooperation option	Part C - Optional Disqualification
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824	Work requirement for able-bodied adults without dependents	Part B - Work Requirement
826	Minimum benefit	Part D - FCS Action
827	Proration at recertification	Part A - Certification
828	Combined allotment option	Part C - Miscellaneous
829	No benefit increase	Part A - Program Violation

Section	Provision	Chart
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835	Operation of food stamp offices	Part D - State Flexibility
836	State employee and training standards	Part D - State Flexibility
837	Exchange of law enforcement information	Part A - Program Violation
838	Expedited service	Part A - Certification
839	Fair hearing option	Part C - Miscellaneous
840	SAVE, IEVS option	Part C - Miscellaneous
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847	Funding for Program informational activities	Part A - Certification
848	Standards for administration	Part D - State Flexibility
849	Work supplementation or support program	Part C - Optional Work Requirements
851	Response to waivers	Part D - State Flexibility
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854	Simplified Food Stamp Program	Cover letter
911	Fraud under means-tested programs	Part A - Program Violation

**PART A - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRED TO BE IMPLEMENTED UPON ENACTMENT**

Section	Description <i>Certification Provisions</i>	Implementation Method	
		FCS	State agency
404	Requires notification to the public and to recipients of the alien eligibility requirements of the legislation.	Impl. Memo	Notification to recipients and general public
421	The full amount of income and resources of an alien's sponsor and the sponsor's spouse are counted until the alien becomes a citizen or has worked 40 qualifying quarters of Social Security coverage. Beginning January 1, 1997, a quarter in which the alien received certain Federal means-tested assistance is not counted as a qualifying quarter. The deemed income and resources must be reviewed each time an alien reapplies.	Impl. Memo Proposed Rule	On date of enactment for new applicants; at next recertification for recipients.
801	Limits certification periods to 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. States must have at least one contact with each certified household every 12 months.		On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.
803	Deletes a current exemption so that children under 22 years old who live with their parents and their own children or spouses must be included in the same household with their parents.	Impl. Memo Interim Rule	
805	A person whose nighttime residence is a temporary accommodation in the residence of another person may be considered homeless for no more than 90 days.	Impl. Memo Interim Rule	On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.
807	Limits exclusion to the earnings of elementary and secondary school students who are 17 or younger.	Impl. Memo Proposed Rule	On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.

PART A - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRED TO BE IMPLEMENTED UPON ENACTMENT

Section	Description <i>Certification Provisions</i>	Implementation Method	
		FCS	State agency
808	Limits energy assistance exclusion to (1) Federal energy assistance, except that provided under Title IV-A of the Social Security Act (welfare block grant), and (2) Federal or State one-time assistance for weatherization or emergency repair or replacement of heating or cooling devices. Retains the provision in the Low-Income Home Energy Assistance Act (LIHEAA) that requires that all expenses met with LIHEAA payments be regarded as out-of-pocket expenses qualifying for SUAs. Excludes from income State or local general assistance which (under State law) cannot be provided in cash directly to households. An expense paid on behalf of a household under State law to provide energy assistance is considered an out-of-pocket expense incurred and paid by the household.	Impl. Memo Proposed Rule	On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.
809	The earned income deduction is not allowed when determining an overissuance due to the failure of a household to report earned income in a timely manner.		
809	The earned income deduction is not allowed on any portion of income earned under a work supplementation or support program that is attributable to public assistance.		
809	In States without mandatory standard utility allowances (SUA), households are allowed to switch between actual expenses and the SUA only at recertification.	Impl. Memo Proposed Rule	On date of enactment.
811	Removes the income exclusion for vendor payments for transitional housing for the homeless.	Impl. Memo Proposed Rule	On date of enactment for new applicants; at next recertification or when case is next reviewed for recipients.
827	Requires proration of benefits after any break in certification, except for migrant and seasonal farmworker households.		On date of enactment for applicants at initial application and recertification.

PART A - FOOD STAMP PROVISIONS
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RECONCILIATION ACT OF 1996
REQUIRED TO BE IMPLEMENTED UPON ENACTMENT

Section	Description <i>Certification Provisions</i>	Implementation Method	
		FCS	State agency
838	Changes expedited service timeframe to a maximum of 7 calendar days and eliminates the homeless category from those entitled to expedited service.	Impl. Memo Interim Rule	On date of enactment for new applicants.
847	The Federal Government will reimburse a State agency 50 percent of State agency costs for program informational activities, but not including recruitment activities.	Impl. Memo Proposed Rule	On date of enactment.

PART A - FOOD STAMP PROVISIONS
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RECONCILIATION ACT OF 1996
REQUIRED TO BE IMPLEMENTED UPON ENACTMENT

Section	Description <i>Program Violation Disqualifications and Claims</i>	Implementation Method	
		FCS	State agency
813	Increases the disqualification penalty for a first intentional violation to one year. Increase the penalty for a second intentional violation (and the first involving a controlled substance) to two years.	Impl. Memo Proposed Rule	Upon enactment, following notification to applicants and recipients of the new or increased penalties on or with the application form, by mass mailings, or similar methods.
814	An individual shall be permanently disqualified if he/she is convicted of trafficking food stamp benefits of \$500 or more.		
820	An individual shall be ineligible to participate for 10 years if he/she is found to have made a fraudulent statement or representation with respect to identity and residence in order to receive multiple benefits simultaneously.		
821	Makes fleeing felons and probation/parole violators ineligible for the program.		
829, 911	Prohibits an increase in food stamp benefits when a household's income is reduced because of a penalty imposed under a Federal, State, or local means-tested public assistance program for failure to perform a required action. Provides a State option to reduce allotments 25% or less. If the allotment is reduced for failure to perform an action required under a Title IV-A program, the State may use the rules of that program to reduce the food stamp allotment.		
837	Requires State agencies to make available, upon request, to any Federal, State, or local law enforcement officer the address, social security number, and (if available) photograph of a food stamp recipient if the officer furnishes the recipient's name and notifies the agency that the individual is fleeing to avoid prosecution, custody, or confinement for a felony, is violating a condition of parole or probation, or has information necessary for the officer to conduct an official duty related to a felony/parole violation.		Date of enactment.

**PART A - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRED TO BE IMPLEMENTED UPON ENACTMENT**

Section	Description <i>Program Violation Disqualifications and Claims</i>	Implementation Method	
		FCS	State agency
844	(1) Replaces existing overissuance collection rules with provisions requiring States to collect any overissuance by reducing future benefits, withholding unemployment compensation, recovering from Federal pay or income tax refunds, or any other means -- unless the State demonstrates that all of the means are not cost effective. (2) Limits benefit reductions (absent intentional program violation) to the greater of 10 percent of the monthly allotment or \$10 a month. (3) Provides that States must collect overissued benefits in accordance with State-established requirements for notice, electing a means of payment, and setting a schedule for payment. (4) Permits States to retain 35 percent of intentional Program violation collections and 20 percent of inadvertent household error collections. The actual retention procedures will be forwarded under separate cover.	Impl. Memo Proposed Rule	Date of enactment.

**PART A - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRED TO BE IMPLEMENTED UPON ENACTMENT**

Section	Description <i>Work Requirements</i>	Implementation Method	
		FCS	State agency
815	Revises current requirements to make ineligible individuals who are physically and mentally fit and between the ages of 16 and 60 if they: (1) refuse without good cause to provide sufficient information to allow a determination of their employment status or job availability; (2) voluntarily and without good cause quit a job; or (3) voluntarily and without good cause reduce their work effort (and, after the reduction, are working less than 30 hours a week). Provides a State option to disqualify the household if the head of household is disqualified under a work rule for a period determined by the State that cannot exceed the lesser of the duration of the individual's ineligibility or 180 days. This option is also listed on Attachment C. Establishes mandatory minimum disqualification periods for individuals who fail to comply with work or workfare requirements: - o First violation - The later of (1) the date they comply with work rules; (2) 1 month; or (3) a period determined by the State not to exceed 3 months. - o Second violation - The later of (1) the date they comply with work rules; (2) 3 months; or (3) a period determined by the State not to exceed 6 months. - o Third or subsequent violations - The later of (1) the date they comply with work rules; (2) 6 months; or (3) a date determined by the State; or (4) at State option, permanently. Requires USDA to determine the meaning of good cause, voluntarily quitting, and reducing work effort. Requires States to determine (1) meaning of other terms; (2) procedures for establishing compliance; and (3) whether individuals are complying. None of such determinations can be less restrictive than comparable determinations under a program funded by Title IV-A of the Social Security Act.	Impl. Memo Proposed Rule	Upon enactment, following notification to applicants and recipients of the new requirements or increased penalties on or with the application form, by mass mailings, or similar methods.

**PART B - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
SPECIAL IMPLEMENTATION DATES**

Section	Description <i>Alien Eligibility</i>	Implementation Method	
		FCS	State agency
402	Only the following noncitizens are eligible: <u>For 5 years after they obtain the designated alien status:</u> Refugees admitted under section 207 of the Immigration and Nationality Act (INA), Asylees admitted under section 208 of the INA, and Aliens whose deportation has been withheld under section 243(h) of the INA. <u>For an unlimited period:</u> The following aliens lawfully admitted for permanent residence: Veterans who were honorably discharged for reasons other than alienage, Active duty personnel (other than active duty for training) and their spouses or unmarried dependent children, and Aliens who have worked 40 qualifying quarters of coverage under Title II of the Social Security Act or can be credited with such qualifying quarters. Under section 435 of the law, a qualifying quarter includes one worked by a parent of an alien while the alien was under 18 and a quarter worked by a spouse during their marriage if the alien remains married to the spouse or the spouse is deceased. Beginning January 1, 1997, any quarter in which the alien received any Federal means-tested public benefit (as defined in sections 401 and 403 of the law) is not counted as a qualifying quarter.	Implementing Memo Proposed Rule	On date of enactment for new applicants; at recertification, but no later than one year from date of enactment, for recipients.

**PART B - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
SPECIAL IMPLEMENTATION DATES**

Section	Description <i>Allotment, Shelter Limit, and Vehicle Adjustments</i>	Implementation Method	
		FCS	State agency
804	Annual adjustments to the maximum allotment are based on 100% of the Thrifty Food Plan. Allotments cannot fall below the FY 1996 level.	Implementing Memo Interim Rule	10/1/96 through mass change in accordance with 7 CFR 273.12(e)(1)
809	Sets the excess shelter caps for the 48 contiguous States and D.C., Alaska, Hawaii, Guam, and the Virgin Islands, respectively as follows: Enactment - 12/31/96: \$247, \$429, \$353, \$300, \$182 01/01/97 - 09/30/98: \$250, \$434, \$357, \$304, \$184 10/01/98 - 09/30/00: \$275, \$478, \$393, \$334, \$203 10/10/00 - : \$300, \$521, \$429, \$364, \$221		No change until 1/1/97; mass change on 1/1/97.
810	Raises fair market value of vehicles used in resource test to \$4,650 and eliminates future adjustments.		10/1/96 for applicants and at recertification for recipients.

**PART B - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
SPECIAL IMPLEMENTATION DATES**

Section	Description <i>Drug Disqualification</i>	Implementation Method	
		FCS	State agency
115	Makes ineligible individuals convicted of Federal or State felonies for possession, use, or distribution of illegal drugs after the date of enactment. Disqualified individuals are not considered household members but income and resources are attributed to their households. Requires applicants to state, in writing, whether any household member has been convicted of drug felonies. Permits States to opt out of the provision by enacting laws after the date of enactment exempting individuals or limiting the disqualification period.	Impl. Memo Proposed Rule	Required to be implemented July 1, 1997 (unless State opts out).

**PART B - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
SPECIAL IMPLEMENTATION DATES**

Section	Description <i>Work Requirement for Able-Bodied Adults Without Dependents (ABAWDS)</i>	Implementation Method	
		FCS	State agency
824	Unless exempt, individuals are ineligible to continue to receive food stamps if, during the preceding 36-month period they received food stamps for at least 3 months (consecutive or otherwise) while they did not either: work at least 20 hours per week (averaged monthly); for 20 hours or more per week, participate in and comply with a Job Training and Partnership Act program, Trade Adjustment Assistance Act program, or Employment and Training program (other than a job search or job search training program); or participate in and comply with a workfare program (under Section 20 of the Food Stamp Act or a comparable State or local program). <i>During the time that an individual is exempt</i> from this work requirement because of a personal exception (e.g., is pregnant), the waiver provision (e.g., is living in an area that, after concurrence by the Secretary, the State has determined to have an unemployment rate of over 10 percent or insufficient jobs), or because of the subsequent eligibility provision of subsection (5) of this section, any period of participation in the food stamp program does not count toward the individual's 3-month participation limit. An individual is exempt from this requirement if the individual is: (1) under 18 or over 50 years of age, (2) <u>medically certified as physically or mentally unfit for employment</u>, (3) a parent or other member of a household with responsibility for a dependent child, (4) pregnant, or (5) otherwise exempt from work requirements under subsection (d)(2) of the Food Stamp Act. On the request of a State agency, the Secretary may waive the work requirement for any group of individuals if the Secretary determines that the area in which the individuals reside (1) has an unemployment rate of over 10 percent, or (2) does not have a sufficient number of jobs to provide employment for the individuals. Individuals denied eligibility under the new work rule can regain eligibility if during a 30-day period the individual: works 80 hours or more; participates in and complies with a Job Training and Partnership Act program, Trade Adjustment Assistance Act program, or Employment and Training program (other than a job search or job search training program) for 80 hours or more; or participates in and complies with a workfare program (under Section 20 of the Food Stamp Act or a comparable State or local program) for 80 hours or more. If individuals subsequently lose this employment or cease participation in work or workfare programs, participation can continue for up to 3 consecutive months (beginning from the date the State is notified that work has ended), after which the only cure during the 36-month period will be to comply with the work requirement or to become exempt under other provisions of the requirement. Households adversely affected shall be notified in accordance with 7 CFR 273.13.	Impl. Memo Guidance on submitting waivers for groups of individuals to be sent out within 30 days. Proposed Rule	States must implement this provision by notifying applicants and recipients of the application of the work requirement no later than November 22, 1996. The 36-month period begins the earlier of: 3 months after enactment, or the date the State notifies recipients or applicants of the application of this provision. Case reviews will not be required; recipients will become ineligible at recertification or when the State becomes aware that the individual has participated 3 months without either complying with the work requirement or falling within one of the exceptions.

**PART C - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
STATE AGENCY OPTIONS**

Section	Description <i>Miscellaneous Certification Provisions</i>	Implementation Method	
		FCS	State agency
809	Permits States to make use of standard utility allowances mandatory for all households if (1) the State has developed separate standards for households with and without heating or cooling costs and (2) USDA finds that the standards will not result in increased Federal costs.	Impl. Memo Proposed Rule	State Plan amendment
809	Permits State agencies to develop a standard homeless shelter allowance not to exceed \$143 per month for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. The State agency may make a household with extremely low shelter costs ineligible for the allowance. This allowance is to be deducted from net income after the child support deduction and before the medical deduction.		
812	Requires USDA to establish (within 1 year after enactment) a procedure which will not increase Federal costs whereby States can submit a method to be approved by USDA for determining reasonable estimates, instead of the actual costs, of producing self-employment income.		
818	The State agency may, at its option, count all of the income of an alien ineligible under the Food Stamp Act in determining the eligibility and benefits of the remaining members. The PRWORA does not address the treatment of income and resources of the newly ineligible aliens. This issue will be addressed in separate correspondence.		
828	Makes the issuing of combined allotments (prorated first month's allotment plus full second month's allotment) to expedited service applicants a State option.		
830	Permits States to divide a month's food stamp benefits between a drug or alcoholic treatment center and the individual, if the individual leaves the center. Permits States to require the resident to designate the treatment center as his or her authorized representative.		
839	The State agency may, at its option, permit households to withdraw fair hearing requests orally as well as in writing. If it is an oral request, the State agency must provide written notice confirming the request and provide the household with another opportunity to request a fair hearing.		
840	Makes use of the income and eligibility verification system (IEVS) and the alien status verification system (SAVE) optional.		

**PART C - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
STATE AGENCY OPTIONS**

Section	Description <i>Optional Disqualification Provisions</i>	Implementation Method	
		FCS	State agency
819	Allows States the option to extend disqualifications for failure to perform actions required by other means-tested programs to the Food Stamp Program.	Impl. Memo Proposed Rule	State Plan amendment
822	Permits States to require cooperation with the Child Support Enforcement (CSE) Program as a condition of eligibility for the FSP for applicants or participants who live with and exercise parental control over children under 18 years of age who have absent parents that are not providing appropriate support. Cooperation entails establishing paternity of the children and obtaining support for themselves or the child. Permits States to establish payment of legally-obligated child support as a condition of food stamp eligibility for non-custodial parents. Food stamp State agencies would have to develop safeguards to restrict the use of information obtained from Title IV-D agencies. Neither custodial nor non-custodial parents could be charged a fee or other cost for CSE services. The food stamp State agency would determine whether custodial parents have good cause for not cooperating and develop procedures for determining refusal to cooperate by non-custodial parents using guidelines developed by USDA in consultation with DHHS.		
823	Permits States to disqualify individuals who are in arrears in court-ordered child support unless a court is allowing delayed payments or payments are being made in accordance with a court- or CSE-approved payment plan.		

**PART C - FOOD STAMP PROVISIONS
OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
STATE AGENCY OPTIONS**

Section	Description <i>Optional Work Requirements</i>	Implementation Method	
		FCS	State agency
815	Provides a State option to disqualify the household if the head of household is disqualified under a work rule for a period determined by the State that cannot exceed the lesser of the duration of the individual's ineligibility or 180 days.	Impl. Memo Proposed Rule	State Plan amendment.
816	Permits States to lower the age at which a child exempts a parent/caretaker from food stamp work rules to between 1 and 6 years of age. This provision only applies to States (Wisconsin, Michigan, Montana and Kansas) that had waiver requests denied as of August 1, 1996, and may be implemented by these States for a period of no more than 3 years.		
849	New provision of the Food Stamp Act (section 16(b)) that provides States the option to use the cash value of a household's food stamp allotment to subsidize a job for a household member participating in a work supplementation or support program—under which public assistance is provided to an employer to be used for hiring and employing a public assistance recipient. States must describe in their State plans how recipients in the program will, within a specified period of time, be moved to employment that is not supplemented or supported.		
852	States are eligible to adopt an Employment Initiatives Program (EIP) if at least 50% of the food stamp caseload in the summer of 1993 also received AFDC. Under EIP, States may provide households the option to receive food stamp benefits in cash if an adult member (1) has worked in unsubsidized employment for at least the last 90 days, has earned at least \$350 per month for at least the last 90 days, and is continuing to do so; and (2) is eligible for Title IV-A benefits or becomes ineligible because of earnings. Requires States to provide USDA a written evaluation (content to be determined by States with the concurrence of USDA) of the impact of cash assistance after operating 2 years under this provision. Requires States to increase cash benefits, with State funds, to compensate households for State or local sales taxes on food purchases.		

**PART D - FOOD STAMP PROVISIONS OF
THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRING NO IMMEDIATE ACTION BY STATE AGENCIES**

Section	Description <i>FCS Action</i>	FCS Implementation Method
109	Eliminates the option in Section 5(d)(13) of the act and 7 CFR 273.9(c)(12) for State agencies to exclude from unearned income up to \$50 monthly of Title IV-D child support payments if they pay FCS for the cost of the additional benefits. (No State agency currently uses this option.)	Interim Rule
109	Changes references to "AFDC" and a "plan" to a program funded under Title IV-A. (States will have to change their manuals, but no action required by caseworkers).	Implementing Memo Interim Rule
809	Freezes the standard deduction amounts at their current level--no future adjustments.	
826	Eliminates the adjustment factor for the \$10 minimum allotment for 1- and 2-person households.	
851	Adds section 17(b)(1)(D) to the Food Stamp Act. Within 60 days after receiving a waiver request, USDA must approve or deny the request, or seek further clarification from the submitting State. If USDA fails to act within 60 days, the waiver request will be considered approved, unless approval is specifically prohibited by the Food Stamp Act. If USDA denies a waiver request, it must provide a copy of the request and a description of the reasons for its denial to the House Agriculture Committee and to the Senate Agriculture, Nutrition, and Forestry Committee.	Implementing Memo Proposed Rule

**PART D - FOOD STAMP PROVISIONS OF
THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRING NO IMMEDIATE ACTION BY STATE AGENCIES**

Section	Description <i>State Flexibility</i> (States may continue current practices or develop new procedures)	FCS Implementation Method												
817	Streamlines administrative requirements for States: - Requires E&T components to be delivered through a statewide workforce development system, if available. States can adopt provision which: - Expands the existing State option to apply all work requirements to applicants (currently limited to job search). - Removes specific rules governing job search components (i.e., tying them to those under title IV-A). - Removes provisions for E&T work experience and/or training components that require they serve a useful public purpose and use (to the extent possible) recipients' prior training and experience. - Removes specific Federal rules as to States' authority to exempt categories of individuals and individuals from E&T requirements. - Removes the requirement to serve volunteers in E&T programs. - Removes the requirement for conciliation procedures for resolution of disputes involving participation in an E&T program. - Removes the requirement that reimbursements for dependent care are at least as high as the dependent care deduction cap. - Removes requirements for E&T performance standards. Allocates to States to carry out E&T programs: <table><tr><td>FY 97</td><td>\$79 million</td></tr><tr><td>FY 98</td><td>\$81 million</td></tr><tr><td>FY 99</td><td>\$84 million</td></tr><tr><td>FY 00</td><td>\$86 million</td></tr><tr><td>FY 01</td><td>\$88 million</td></tr><tr><td>FY 02</td><td>\$90 million</td></tr></table> Allocations will be based on a reasonable formula (as determined by USDA) that gives consideration to the population in each State subject to work requirements. Minimum State allocation: \$50,000. State to promptly notify USDA if it determines it will not expend all of its allocated E&T funds.	FY 97	\$79 million	FY 98	\$81 million	FY 99	\$84 million	FY 00	\$86 million	FY 01	\$88 million	FY 02	\$90 million	Implementing Memo Proposed Rule
FY 97	\$79 million													
FY 98	\$81 million													
FY 99	\$84 million													
FY 00	\$86 million													
FY 01	\$88 million													
FY 02	\$90 million													

**PART D - FOOD STAMP PROVISIONS OF
THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRING NO IMMEDIATE ACTION BY STATE AGENCIES**

Section	Description <i>State Flexibility</i> (States may continue current practices or develop new procedures)	FCS Implementation Method
835	Replaces many current client service requirements with broad requirements that States establish procedures that best serve households in the State including households with special needs (elderly, disabled, rural poor, homeless, households on reservations, and people who do not speak or read English); provide timely, accurate, and fair customer service to all applicants and recipients; and develop applications containing necessary information. Permits States to establish operating procedures that vary for local food stamp offices. Makes clear that nothing in the Food Stamp Act prohibits electronic storage of application and other information, including signatures. Deletes requirements for a uniform national application, placing information about rights and responsibilities on the application, waiving office interviews for elderly or disabled applicants and households with transportation or other difficulties, and providing telephone or mail information to households that have transportation difficulties or similar hardships. Deletes requirements that States (1) inform applicants how to cooperate in completing the application process including obtaining verification, (2) assist applicants in obtaining verification and completing applications, (3) use current verified information already available, and (4) not deny applications for failure of non-household members to cooperate. Deletes requirements that States provide a description of reporting requirements at certification and recertification; and provide a toll-free, local, or collect telephone number that households may use to reach the State. Deletes requirements for displaying posters and providing materials in food stamp and PA offices about nutrition and eligibility for other USDA nutrition programs, using mail issuance in rural areas or other areas where low-income households face transportation problems, conducting a single interview when households apply for both food stamps and AFDC, combining food stamp applications with PA and Statewide general assistance (GA) applications, providing food stamp applications and information at local GA offices if the same agency administers GA and PA, and using verified information available in PA/GA files.	Implementing Memo Proposed Rule
836	Deletes all Federal requirements for State employee training.	

**PART D - FOOD STAMP PROVISIONS OF
THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996
REQUIRING NO IMMEDIATE ACTION BY STATE AGENCIES**

Section	Description <i>State Flexibility</i> (States may continue current practices or develop new procedures)	FCS Implementation Method
848	The State agency is no longer required to establish standards for the effective and efficient operation of the program, including periodic review of hours that food stamp offices are open. The State agency is no longer required to submit reports specifying administrative actions to meet the standards.	Implementing Memo Proposed Rule