WELFARE CASELOADS HAVE DECLINED MORE THAN 3 ½ MILLION UNDER PRESIDENT CLINTON
October 8, 1997

President Clinton announced today that welfare caseloads have declined another 250,000, bringing the total reduction to more than 3.6 million since he became President, a drop of 26 percent. In the 10 months from August 1996 when he signed welfare reform into law through June 1997 (the numbers released today), welfare rolls have declined by 1.7 million to just under 10.5 million. For the first time since 1969, less than 4 percent of the U.S. population is on welfare. A total of 49 out of 50 states have lowered their welfare rolls -- 14 states by 40 percent or more.

Later today, Vice President Gore will announce that the federal government has made tremendous progress in fulfilling its commitment to hire 10,000 welfare recipients by the year 2000, doing its fair share to lower the welfare rolls.

The new caseload numbers underscore the success of the welfare reform law as it begins its second year. This 3.6 million caseload decline is the largest in history. Today, welfare caseloads, which fell by a record 1.9 million in the President's first three-and-a-half years in office, are on course to have dropped by 2 million more in the one year after signing the law.

President Clinton has made welfare reform a top priority of his Administration. During his first four years in office, the President granted federal waivers to 43 States to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. In August 1996, President Clinton signed into law the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), a comprehensive bipartisan welfare reform bill that establishes the Temporary Assistance for Needy Families (TANF) program. Since signing the bill into law, the President has focused on efforts to create jobs to move people from welfare to work, which include fighting for and winning an additional $3 billion for welfare to work in the Balanced Budget Act, mobilizing the business community to hire welfare recipients, working with civic, religious and non-profit groups to mentor families leaving welfare for work, and hiring our fair share of welfare recipients in the federal government.

CHANGE IN WELFARE CASELOADS

Total AFDC/TANF families and recipients

	Jan.93	Jan.94	Jan.95 (millions)	Jan.96	Jun.97	percent(93-97)
Families	4.963	5.053	4.936	4.628	3.782	-24%
			1,181,000 fewer families			
Recipients	14.115	14.276	13.918	12.877	10.494	-26%
			3,621,000 fewer recipients			

Total AFDC/TANF recipients by State

state	Jan.93	Jan.94	Jan.95	Jan.96	Jun.97	percent(93-97)
Alabama	141,746	135,096	121,837	108,269	81,417	-43%
Alaska	34,951	37,505	37,264	35,432	34,860	NC
Arizona	194,119	202,350	195,082	171,617	140,292	-28%
Arkansas	73,982	70,563	65,325	59,223	51,845	-30%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,336,238	-3%
Colorado	123,308	118,081	110,742	99,739	79,210	-36%
Connecticut	160,102	164,265	170,719	161,736	153,253	-4%
Delaware	27,652	29,286	26,314	23,153	21,596	-22%
D.C.	65,860	72,330	72,330	70,082	65,331	-1%
Florida	701,842	689,135	657,313	575,553	422,183	-40%
Georgia	402,228	396,736	388,913	367,656	254,890	-37%
Hawaii	54,511	60,975	65,207	66,690	74,179	+36%
Idaho	21,116	23,342	24,050	23,547	16,804	-20%
Illinois	685,508	709,969	710,032	663,212	554,223	-19%
Indiana	209,882	218,061	197,225	147,083	109,772	-48%
Iowa	100,943	110,639	103,108	91,727	76,684	-24%
Kansas	87,525	87,433	81,504	70,758	48,576	-45%
Kentucky	227,879	208,710	193,722	176,601	152,667	-33%
Louisiana	263,338	252,860	258,180	239,247	179,868	-32%
Maine	67,836	65,006	60,973	56,319	48,232	-29%
Maryland	221,338	219,863	227,887	207,800	151,331	-32%
Massachusetts	332,044	311,732	286,175	242,572	194,071	-42%
Michigan	686,356	672,760	612,224	535,704	430,561	-37%
Minnesota	191,526	189,615	167,949	171,916	154,171	-20%
Mississippi	174,093	161,724	146,319	133,029	95,982	-45%
Missouri	259,039	262,073	259,595	238,052	184,441	-29%
Montana	34,848	35,415	34,313	32,557	22,490	-35%
Nebraska	48,055	46,034	42,038	38,653	35,955	-25%
Nevada	34,943	37,908	41,846	40,491	28,725	-18%
New Hampshire	28,972	30,386	28,671	24,519	19,586	-32%
New Jersey	349,902	334,780	321,151	293,833	243,900	-30%
New Mexico	94,836	101,676	105,114	102,648	78,404	-17%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,011,135	-14%

state	Jan.93	Jan.94	Jan.95	Jan.96	Jun.97	percent(93-97)
North Carolina	331,633	334,451	317,836	282,086	234,371	-29%
North Dakota	18,774	16,785	14,920	13,652	10,992	-41%
Ohio	720,476	691,099	629,719	552,304	480,903	-33%
Oklahoma	146,454	133,152	127,336	110,498	75,766	-48%
Oregon	117,656	116,390	107,610	92,182	57,873	-51%
Pennsylvania	604,701	615,581	611,215	553,148	439,333	-27%
Rhode Island	61,116	62,737	62,407	60,654	54,275	-11%
South Carolina	151,026	143,883	133,567	121,703	77,854	-48%
South Dakota	20,254	19,413	17,652	16,821	13,143	-35%
Tennessee	320,709	302,608	281,982	265,320	167,386	-48%
Texas	785,271	796,348	765,460	714,523	561,060	-29%
Utah	53,172	50,657	47,472	41,145	31,931	-40%
Vermont	28,961	28,095	27,716	25,865	22,593	-22%
Virginia	194,212	194,959	189,493	166,012	122,505	-37%
Washington	286,258	292,608	290,940	276,018	248,830	-13%
West Virginia	119,916	115,376	107,668	98,439	75,331	-37%
Wisconsin	241,098	230,621	214,404	184,209	107,490	-55%
Wyoming	18,271	16,740	15,434	13,531	5,392	-70%
Guam	5,087	6,651	7,630	8,364	7,470	+47%
Puerto Rico	191,261	184,626	171,932	149,944	142,156	-26%
Virgin Islands	3,763	3,767	4,345	4,953	4,363	+16%

Source:
U.S. Dept. of Health & Human Services
Administration for Children and Families
September 1997

cc Cynthia

FAX COVER

Income Maintenance Branch

Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

To: Diana Fortuna

Organization:

Fax Number: 6-7431

From: Anil Kakani

Date/Time:

Number of Pages: Cover + 24

Notes:

Diana —

Attached are the pages w/ ACF's responses.
Let me know what you think.

— Anil.

If onetime/90-day is not considered assistance it should be only once.

Income Maintenance Fax Number: (202) 395-0851
Voice Confirmation: (202) 395-4686

DEPARTMENT OF HEALTH & HUMAN SERVICES-USA

ADMINISTRATION FOR CHILDREN AND FAMILIES

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DATE: 10/9/97

__ URGENT ✓ AS REQUESTED __ COMMENT __ CLEARANCE __ FYI __ REPLY ASAP

TANF regs. background material:
(1) Vehicles for determining penalty liability
(2) Ex of One-time Diversion Payments
(3) State waivers and identified inconsistencies

Thanks for all the time you spend with us this week —

Maddy

Vehicles for Determining Whether a State Is Subject to a Penalty

The Single Audit

We will use the single audit and any other reviews to monitor compliance with five of the penalties -- those found at sections 409(a)(1), 409(a)(4), 409(a)(5), 409(a)(11), and 409(a)(14) of the Act.

The Emergency TANF Data Report

This report will provide us with much of the information necessary for calculating a State's minimum work participation rates and, thus, whether a State has satisfied the requirement at 409(a)(3). In addition, failure to submit this report could result in a penalty under section 409(a)(2). Ultimately, we will use the Data Collection and Reporting Requirements to monitor compliance with section 409(a)(9) as well.

The ACF Financial Reporting Form ACF-196

We will use this form to determine a State's compliance with the expenditure requirements at sections 409(a)(1), 409(a)(7), 409(a)(10), 409(a)(12) and 409(a)(13) of the Act.

A specific vehicle for determining a State's compliance with section 409(a)(6) is unnecessary. In our loan agreements with States, we will specify due dates for the repayment of the loans and will know if payments are not made.

Examples of One-Time Diversion Payments

Arkansas

- The payment may be the actual cost of what it would take to resolve the problem up to a maximum equal to 3 months of cash assistance.

Colorado

- Some families may receive a one time payment.

Florida

- One time payments not to exceed 2 months of assistance. Precludes reapplication for 3 months.

Idaho

- One-time needs could include car repair, moving expenses, employment fees, tools, etc. The payment can be 3 times the maximum TAFI grant. There is a reduction of 2 months of benefits for every month of cash assistance payment used in this option.

Maryland

- Allow recipients to choose a one-time payment equal to up to three months of AFDC benefits in lieu of AFDC.

Montana

- Provide a one-time employment related payment to JSP and Pathways participants, the maximum amount of which will be three times the AFDC grant to which the family would be entitled. The payment will be in lieu of two months of future benefits for each month's equivalent of AFDC and will be excluded as countable income in determining food stamps benefits.

North Carolina

- Offer new applicants a one time payment in lieu of AFDC equaling up to 3 months of the AFDC benefits for which the family is eligible.

Texas

- Allow an otherwise eligible recipient the option of one-time AFDC cash emergency assistance payments of $1,000 in lieu of ongoing regular AFDC payments with prohibition from applying for regular AFDC for a period of 12 months from date of receipt.

Utah

o Self sufficiency planning will be required prior to eligibility determination for financial assistance, with one-time payments used to divert certain applicants from assistance through employment and child support.

Virginia

o In lieu of AFDC, provide voluntary diversion payments in an amount up to 4 months of AFDC benefits to qualified applicants..

West Virginia

o A one-time-only diversionary cash payment is available to applicants that allows up to the amount of three 3 months of regular cash assistance payments.

Wisconsin

o One-time needs to support employment. The loan can be used for immediate expenses with a direct relationship to obtaining or maintaining employment (for example, auto repairs or obtaining work clothes). The Department will establish the parameters for loan amounts and repayment conditions.

State TANF Time Limits

State	Time Limit	Exemptions	Extensions
Arizona TANF Subject to TANF: 10/01/96 5-Year Limit: 11/01 Demonstration Approved: 5/95 Implemented: 10/95 Time Limit: 10/97 End Date: 09/02	24 within 60 Adult household member can only receive cash assistance for 24 months during a 5-year period.	• physically or mentally unable to go to work or training • the only member of the assistance unit who can stay home to care for another physically or mentally disabled household member • participant in JOBSTART demonstration	Education/Training Extension: Person receiving assistance may receive up to two 4-month extensions to complete a post-secondary education or training program. Good Cause Extension: Person may receive a 6-month extension if good cause exists for being unable to obtain employment.
Connecticut TANF Subject to TANF: 10/96 5-Year Limit: 10/01 Demonstration Approved: 12/95 Implemented: 1/96 Time Limit: 10/97 End Date: 09/02	21	• good faith effort to find employment • families suffering from domestic violence or other circumstances beyond their control • family with an adult relative who is incapacitated or of an advanced age • family with an adult relative needed in the home because of incapacity of another member of the household • family with an adult relative caring for a child under one year of age, who is not covered under the family cap • family with a pregnant or postpartum adult relative if a physician has indicated that she is unable to work • family with an adult relative otherwise determined to be unemployable, as defined by the State	Approved waiver that allows 6 month extensions that can exceed 60 months.

State	Time Limit	Exemptions	Extensions
Delaware **TANF** Effective: 03/97 5-Year Time Limit: 03/02 Demonstration Approved: 5/95 Implemented: 10/95 Time Limit: 10/97 End Date: 09/02	24 Every participant recipient age 19 and above capable of work will be subjected to the 2 year limit. Recipients who cannot locate private sector jobs despite good faith efforts to do so, can receive pay-after-performance payments, based on hours actually worked, for participating in a workfare job for a maximum of 2 more years. Assistance will be denied to employable caretakers reapplying for benefits after the 48 cumulative month time limit unless the family has not received assistance for 96 consecutive months or the caretaker proves that grounds exist for an extension. Benefits for these families only in pay-after-performance, for a maximum of 12 additional cumulative months.	• families for which a determination has been made that they cannot be expected to achieve self-sufficiency (e.g., adult needed in home to provide care for a disabled child or the parent is disabled and receiving SSI) • families in which there is a non-needy non-parent caring for a needy child	Extensions will be provided only to those families who can demonstrate that: the Agency substantially failed to provide the services specified in the individual's Contract of Mutual Responsibility; the related extension will correspond to the time period for which services were not provided; or despite their best efforts to find and keep employment, no suitable unsubsidized employment was available in the local economy to the employable adult caretaker; the maximum extension under such circumstances will be 12 months. Extensions may also be granted where other unique circumstances exist.

State	Time Limit	Exemptions	Extensions
Florida (8 counties) TANF Effective: 10/96 5-Year Time Limit: 10/01 Demonstration Approved: 1/94 Implemented: 2/94 Time Limit: 2/96 End Date: 12/01	(1) 24 out of 60 with lifetime of 48; (2) 36 out of 72 with lifetime of 48 for: (a) received aid to families with dependent children or temporary assistance for any 36 months of the preceding 60 months; (b) custodial parent under the age of 24 who: 1) has not completed high school or its equivalent; or 2) had little or no work experience in the preceding year. The time limit requirement of the WAGES Act establishes a two-tier time limit requirement based on level of welfare dependency and participant characteristics and need and provides for those families that may need hardship exemptions.	• diligent participation in activities, combined with inability to obtain employment • diligent participation, combined with extraordinary barriers to employment, including the conditions which may result in an exemption to work requirements • significant barriers to employment, combined with a need for additional time • diligent participation in activities and a need by teen parents for an exemption in order to have 24 months of eligibility beyond receipt of the high school diploma or equivalent • recommendation of extension for a minor child of a participating family that has reached the end of the benefit eligibility period • child-only cases • eligible for benefits under the SSI program due to age or disability is not subject to time limitations.	Cumulative total of all hardship exemptions may not exceed 12 months, may include reduced benefits, and shall, in combination with other period of temporary assistance as an adult, total no more that 48 months of temporary assistance. Hardship exemptions to the time limitations shall be limited to 10 percent of participants in the first year, 15 percent in the second year, and 20 percent in all subsequent years.
Hawaii TANF Effective: 07/97 5-Year Time Limit: 07/02 Demonstration Approved: 8/96 Implemented: 2/97 Time Limit: 3/03 End Date: 09/05	60 months 5-year time limitation for households that contain at least one non-exempt adult.	• disabled • caring for a child under 6 months of age • caring for an ill or incapacitated family member • age 60 or over • Vista volunteer • children only cases	These households shall, therefore, be excluded in the calculation of participation rates and may exceed the 20% exemption from time limits due to hardship.

State	Time Limit	Exemptions	Extensions
Indiana __TANF__ Effective: 10/96 **5-Year Time Limit: 10/01** __Demonstration__ Approved: 12/94 Implemented: 5/95 Time Limit: 5/97 End Date: 05/02	24 months Family members on public assistance are limited to two years lifetime benefits.	Time limits apply to adults except during periods in which the adult is exempt from JOBS, for the period that the exemption applies. The following JOBS exemptions apply: * is a child who--(a) under age 16, or (b) attends school full-time * is ill or incapacitated * age 60 years or older * needed in home to care for ill or incapacitated family member, and * is pregnant and child is expected to be born in the month in which participation would be required or within the following 6-month period	Approved extensions may be for a period of up to 1 year and can be renewed. A person may earn credit for 1 month of assistance for each 6 consecutive months the person is employed. However, a person may not retain credit for more than 24 months at a time. Extensions will be granted to an assistance unite in which the adult parent or caretaker relative has cooperated with the JOBS program, and has substantially complied with the requirements of her/his plan, in the following circumstances: State has failed to provide services in the IRP; despite all appropriate efforts, individual has been unable to find or has lost without cause, employment; and, the Director, Division of Family and Children, determines that other unique circumstances exist which prevent the individual from obtaining or retaining employment.
Nebraska (5 counties) __TANF__ Effective: 12/96 **5-Year Time Limit: 12/01** __Demonstration__ Approved: 2/95 Implemented: 11/95 Time Limit: 10/97 End Date: 09/02	5 counties: (1) 24 within 48 For families with an employable adult, assistance is available for up to 2 years without earned income. (2) No time limit No time limit for families without an employable adult. Remaining State: (3) 60 months	* mental, emotional or physical conditions * caretaker relative in the family does not have parental responsibility for the children and assistance is requested for only the children	Extensions are allowed if there is no job available to the recipient that nets the recipient at least the amount of the AFDC cash benefit plus work expenses minus any unearned income received by the family; the termination of cash benefits would result in the family not having sufficient funds so as to be able to avoid extreme hardship; the adult members of the family are no longer able to meet the conditions of their self-sufficiency contract; or the State has failed to meet the terms of the self-sufficiency contract

States that have waivers with work activities identified as inconsistent with current law

[Note: This list only includes provisions identified as inconsistent by a state in its TANF plan or in subsequent correspondence.]

Connecticut - a broader definition of what activities and hours constitute participation in work activities for purposes of calculating the participation rate.

Delaware - the work participation policies in §407 of the SSA, which conflict with ABC with respect to the limitations placed on the activities that count as participation in general and with respect to the calculation of participation rates, limitations on the percent of individuals who can be counted as participants who are engaged in vocational educational training or are minor parents in school, limitations on the amount of time participants can be engaged in vocational education, and the inclusion of individuals exempted by ABC in the denominator in calculating the participation rate.

Illinois - the Targeted Work and Get A Job waivers include an extended Job Search component, which is inconsistent with the PRWORA.

Massachusetts - The state is counting in its determination of work participation rate all activities formerly counted toward its JOBS participation rate, including job placement, job readiness, job search, education, training, the Full Employment Program, Supported Work, community service, any subsidized or unsubsidized job, and programs that extend beyond the time constraints specified in the PRWORA such as a 2-year community college program; and job search may be required without limitation on the number of weeks.

Minnesota - The requirements in §407(c) and (d) of the SSA that only the work activities cited count toward the weekly time standards is inconsistent with the state's waiver, which counts any activity that leads to employment; the provision in §407(c)(2)(D) of the SSA that restricts vocational educational training to 20 percent of families for purposes of determining participation rates conflicts with the state's "work activities" waiver, which has no such limitation; and the restriction on the duration of job search activity in §407(c)(2)(A)(i) of the SSA is inconsistent with the state's waiver, which allows job search for a longer period.

Missouri - The TANF plan identifies the allowable work activities under MFMRP as inconsistent with the PRWORA. The state will continue to allow all work activities as defined in (old) §482 of the SSA and previously approved under the state's JOBS plan to meet work participation rates.

Nebraska - The state's TANF plan says that the state will use the definition in its 1115 waiver (which differs from that in the PRWORA) of the activities that will be accepted as meeting the work requirements and will expand the use of this definition to a statewide basis.

New Hampshire - the provisions of §407(c) of the SSA that define when a participant is considered to be engaged in work; §407(c)(2)(A) of the SSA, which sets limits on the number of weeks for which job search qualifies as engagement in work; and §407(c)(2)(D) of the SSA, which sets limits on the number of persons that may be treated as engaged in work by virtue of participation in vocational education activities or being the head of a household who maintains satisfactory school attendance.

South Carolina - defining work as involvement in specific components that will lead to employment or improved employability, and counting participation in literacy classes, adult education, GED classes, technical schools, vocational training, work experience, and OJT toward the participation rate.

South Dakota - counting all participation in secondary education towards an individual's first 20 hours of participation regardless of the person's age, and counting job-readiness pre-employment training as a "work activity" for determining participation rates; and counting vocational and college education as work activities in determining participation rates.

Tennessee - Families First counts life skills and post-secondary education as work, and does not limit the duration of job search and job readiness; Families First requires 20 hours per week in an ABE program for an individual who has a literacy level of 8.9 or less, in lieu of work activity, and exempts the individual from time limits; and Tennessee does not have a work participation rate.

Texas - The state's TANF plan says that work requirements will be based on the terms and conditions of the state's IV-A waiver, rather than the definitions in the PRWORA. This applies with respect to the 24-month work requirement as well as the methodology for calculating participation rates.

Utah - The state cited one of its §1115 waivers in advising the Department that it will continue to define work activities very broadly, including family counselling, parenting counseling, weight reduction classes, drug and alcohol programs and counseling, and other activities as needed to enable a person to participate in employment or employment-related activities.

Virginia - The state does not limit either the duration or the number of job search assignments to which a participant may be assigned; each assignment is calculated in the participation rate for full allowable credit.

Washington - the definition of work activities, including the number of hours required.

* * * * * *

The following additional states have waiver provisions involving work activities allowed under JOBS, including duration of Job Search. These provisions may or may not be inconsistent with the requirements of the PRWORA.

Georgia
Hawaii
Iowa
Kansas
Michigan
North Carolina
North Dakota
Oregon
Vermont

⇒ No waiver provisions

States that have waivers with hours of work identified as inconsistent with current law

[Note: This list only includes provisions identified as inconsistent by a state in its TANF plan or in subsequent correspondence.]

Hawaii - §407(c) of the SSA, which defines "engaged in work." The state has defined satisfactory participation for the purpose of calculating participation rates as "participation in work activities for at least the average of not fewer than 18 hours per week." The 18-hours requirement will remain in effect for the duration of the waiver period.

Massachusetts - Mandatory work requirement: require a nonexempt recipient (including both parents in a two-parent household) to work and/or perform community service for 20 hours per week.

Tennessee - Families First requires 20 hours per week in an ABE program for an individual who has a literacy level of 8.9 or less, in lieu of work activity, and exempts the individual from time limits; and Tennessee does not have a work participation rate.

Washington - the definition of work activities, including the number of hours required.

* * * * * * *

The following additional states have waivers involving hours of work or employment-related activity, which may or may not be inconsistent with PRWORA requirements:

- Connecticut
- Georgia
- Kansas
- Michigan
- Montana
- New Hampshire
- North Carolina
- Oregon
- South Carolina
- South Dakota
- Tennessee
- Vermont
- Virginia
- Wisconsin

evaluations, control group cases would be subject to prior law policies (JOBS work requirements/no time limit) and experimental group cases would be subject to prior law policies as modified by waivers.

SUMMARY OF §1115 IV-A WAIVER PROVISIONS IN STATE TANF PLANS

[Note: States marked with an asterisk (*) are recipients of "Track One" evaluation grants. These states will retain prior law policies for control group members and prior law plus waiver policies for experimental group members during the project period.]

Alabama - The state will continue the Avenues to Self-Sufficiency through Employment and Training Services (ASSETS) demonstration in three counties. The state identifies one provision, a waiver of the AFDC requirement that a child live with a specified relative, as inconsistent with the PRWORA.

Alaska - There are no §1115 waivers in Alaska.

Arizona* - The state will continue to operate the Employing and Moving People Off Welfare and Encouraging Responsibility (EMPOWER) demonstration. The state identifies the following provisions as inconsistent with TANF requirements:

- cash assistance time limit extensions, based on good cause, for not obtaining employment, or to complete an educational program; and
- not providing, or assisting a teen parent who is required to reside with a parent or other responsible adult in locating, a second-chance home, maternity home, or other appropriate adult-supervised supportive living arrangement.

Arkansas - The state's TANF plan does not mention §1115 waivers.

California - The state's TANF program will include California's existing §1115 demonstration projects, including the California Work Pays Demonstration Project (CWPDP). The TANF plan does not explicitly state whether any waiver provisions are inconsistent with the PRWORA. In subsequent correspondence, the state indicated that it would continue its "Cal-Learn" waiver (a component of CWPDP) in most counties in the state, and that Cal-Learn counties would not be required to comply with TANF school participation requirements.

Colorado - The state's TANF plan says that Colorado is terminating its current §1115 waivers effective July 1, 1997.

Connecticut* - The state intends to continue its "Jobs First" demonstration. The TANF plan identifies several inconsistencies in its demonstration with the PRWORA:

- differential treatment of control group cases, to the extent that it constitutes a separate "program," as opposed to a lack of uniformity in the TANF program;
- exemptions from the time limit on assistance and indefinite extensions of the time limit, without a limit on the number of families receiving such exemptions or extensions;
- a broader definition of what activities and hours constitute participation in work activities for purposes of calculating the participation rate;
- different definition and timing of employability assessments;

- different content of individual employability plans;
- broader exemptions from work requirements (inconsistent with both the requirement that all parents participate after 24 months of receipt of assistance and the participation rate calculations);
- different treatment of minor parents with respect to school attendance requirements;
- progressive sanctions for failure to comply with child support or work requirements (20 percent reduction for 3 months for first offense, 35 percent reduction for 6 months for second offense, and discontinuance of family's assistance for 3 months for third and subsequent offenses); and
- different definition of the minor parent to whom the requirement to live with a responsibility applies, different rules regarding the use of adult-supervised settings, and additional responsibilities for the supervising adults.

Delaware - The state intends to continue all waivers which were approved as part the "A Better Chance" demonstration (ABC). The state's TANF plan identifies the following PRWORA provisions as inconsistent with ABC policies:

- the time limit [§408(a)(1)(B) and §408(a)(7)(A)-(D) of the Social Security Act (SSA)], which conflicts with ABC regarding the total period for which a family can receive benefits, the definition of families which are exempt from time limits, the exceptions which can be granted to individual families to extend their time limits, and the percent of families receiving benefits that can be exempt from the 60-month time limit;
- the work participation policies in §407 of the SSA, which conflict with ABC with respect to the limitations placed on the activities that count as participation in general and with respect to the calculation of participation rates, limitations on the percent of individuals who can be counted as participants who are engaged in vocational educational training or are minor parents in school, limitations on the amount of time participants can be engaged in vocational education, and the inclusion of individuals exempted by ABC in the denominator in calculating the participation rate;
- the provision in §408(a)(4) of the SSA that bars assistance to teen parents who do not participate in educational or training activities if they do not have a diploma, which conflicts with ABC regarding both the penalty for failure of a minor parent to participate in an appropriate activity and the appropriate activities (e.g., employment);
- the policies in §404(h) of the SSA regarding Individual Development Accounts (IDA's), which conflict with ABC by imposing restrictions on the purposes for accumulation and withdrawal and by requiring that IDA's must be trusts;
- the provision in §408(a)(10) prohibiting the use of federal TANF funds to provide assistance for a minor child who has been absent from the home for a particular period of time, which conflicts with ABC by restricting the amount of time that the benefits can be paid, even if the absence is expected to be temporary; and

- the rules in §302 of PRWORA regarding payments of child support to families in "gap" states, which conflicts with the state's policy of applying fill-the-gap budgeting only to recipients and not to applicants.

District of Columbia - The District's TANF plan does not mention waivers. It says that in implementing TANF, the District will defer to any existing TANF provisions that may conflict with District law and regulations, implying that no inconsistent provisions will be implemented.

Florida* - The state intends to consult further with ACF regarding the usefulness of continuing some of its evaluation activities before deciding whether to continue or terminate its waiver demonstrations. No inconsistencies with the PRWORA are identified in the state's TANF plan.

Georgia - The state's TANF plan says that waiver provisions that are consistent with the PRWORA will continue, and the state will make a decision about the continuation of waivers within 90 days of the end of the 1997 legislative session.

Guam - Guam does not have any §1115 waivers.

Hawaii - Hawaii intends to retain the waivers for the Pursuit of New Opportunities (PONO) demonstration. The state's TANF plan identifies the following PRWORA provisions as inconsistent with the PONO waivers:

- §§ 407(b) and 408(a) of the SSA, concerning calculation of work program participation rates and hardship exemptions from time limits, respectively. The state's waivers exempt households from time limits, grant reduction, and work requirements if all adult members meet one of the following criteria: (1) disabled, (2) caring for a child under 6 months of age, (3) caring for an ill or incapacitated family member, (4) age 60 or over, (5) VISTA volunteer, and (6) child only cases. The state will, therefore, exclude these families in the calculation of participation rates and may exceed the 20 percent exemption from time limits due to hardship.

- §407(c) of the SSA, which defines "engaged in work." The state has defined satisfactory participation for the purpose of calculating participation rates as "participation in work activities for at least the average of not fewer than 18 hours per week." The 18-hours requirement will remain in effect for the duration of the waiver period.

- §408(a)(5) of the SSA, which provides for no assistance for teenage parents not living in adult-supervised settings. Teen heads of households will be eligible for assistance and not subject to the 20 percent grant reduction, even if not living in an adult-supervised setting, provided the teen is attending high school or other equivalent training program.

Note: Hawaii has been informed that waiver terms and conditions (1) only apply the 18-hour work requirement to a limited class of recipients, and (2) do not include a waiver affecting teen parent living requirements.

Idaho - No waiver inconsistencies are identified in the state's TANF plan.

Illinois - The state will continue to operate the "Targeted Work" and "Get A Job" provisions of its "Work and Responsibility" Demonstration, and will continue its paternity establishment waiver. All other existing waivers of title IV-A requirements will be discontinued, and most are included in the state's TANF program as standard operating policy. No inconsistencies were identified in the state plan, but in subsequent correspondence the state identified the following inconsistencies:

- the Targeted Work and Get A Job waivers include an extended Job Search component, which is inconsistent with PRWORA; and
- the definition of cooperation in the paternity establishment waiver is inconsistent with the interpretation of current regulations.

Indiana* - The state intends to continue to implement its "IMPACT" waiver demonstration, as amended. The TANF plan states that those PRWORA provisions that are inconsistent with the waivers will not apply, but does not specify what those provisions are. In subsequent correspondence, the state identified the continuation of the former AFDC rules for families assigned to the demonstration control group as inconsistent with TANF requirements. The control group will not be subject to any of the federal TANF provisions, including the 5-year time limit, nor will they be considered in determining the state's work participation rate.

Iowa* - The state intends, at least initially, to "retain all existing policies and procedures as outlined in the current IV-A State Plan and the waivers" for the Family Investment Program demonstration (FIP). The TANF plan states that "Iowa believes all waivers are consistent with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996."

Kansas - The TANF plan does not mention §1115 waivers.

Kentucky - Kentucky has no §1115 waivers.

Louisiana - The state's TANF plan indicates that no waivers will be applicable. The state subsequently wrote indicating it was terminating its waivers.

Maine - The state's TANF plan does not explicitly mention waivers or inconsistencies with the PRWORA. There is an indication that the state intends to maintain its evaluation and control group. Subsequent correspondence from the state expresses the state's belief that none of its waiver provisions are inconsistent with PRWORA, and clarifies that families in the demonstration's control group will be treated differently with respect to TANF from other families in the state.

Maryland - The state's TANF plan indicates that the state is exercising the option to terminate its Primary Prevention demonstration and the cash assistance component of its Family Investment Program demonstration. While there is no explicit mention of what waivers are continuing, presumably these are only Food Stamp and Medicaid program waivers, so there should be no issue of inconsistency with TANF provisions.

Massachusetts - The state's TANF plan lists the following provisions of the "Massachusetts Welfare Reform '95" demonstration which the state intends to continue to implement:

- Mandatory work requirement: require a nonexempt recipient (including both parents in a two-parent household) to work and/or perform community service for 20 hours per week.

- Work program sanctions: failure to participate will result in the individual's loss of eligibility for cash assistance; failure to participate on more than one occasion will result in the termination of assistance for the entire household.

- Child support sanctions: a caretaker relative who fails to cooperate with child support requirements will have his/her grant reduced by an amount equal to the caretaker's portion of the grant.

- Job search: Job search may be required without limitation on the number of weeks.

The TANF plan does not state whether any of these provisions is inconsistent with the PRWORA. In subsequent correspondence, the state clarifies that it believes all the provisions listed above to be inconsistent with the PRWORA. In addition, the correspondence lists the following two waiver provisions that are inconsistent with TANF work requirements:

- Work participation rate: the state is counting in its determination of work participation rate all activities formerly counted toward its JOBS participation rate, including job placement, job readiness, job search, education, training, the Full Employment Program, Supported Work, community service, any subsidized or unsubsidized job, and programs that extend beyond the time constraints specified in the PRWORA such as a 2-year community college program.

- Exempt/Nonexempt status regarding work: the state will continue to apply the work program exemptions established under its waiver demonstration, which are inconsistent with PRWORA requirements.

Michigan - The state intends to continue its "To Strengthen Michigan Families" (TSMF) demonstration, including pending amendments. The state's TANF plan identifies the following TSMF provisions that are inconsistent with the PRWORA:

- the work participation sanction, which reduces the family's cash assistance grant by 25 percent;

- the pending child support enforcement sanction, which removes the non-cooperating individual's needs from the grant for up to 4 months, and closes the family's grant if non-cooperation continues beyond 4 months; and

- the 10-day period to report changes in family circumstances, including the temporary absence of a child (TANF requires absence of a child to be reported within 5 days).

Minnesota* - Minnesota is implementing its statewide "Minnesota Family Investment Program" (MFIP-S) demonstration. The state is discontinuing several waiver provisions of the project which it believes are no longer necessary, although it "reserves the right to maintain any waiver or waivers that may become necessary due to change in federal law or policy for the continuation of the MFIP-S program." In addition, Minnesota is continuing its "Work FIRST" demonstration, and is terminating its "AFDC Barrier Removal" demonstration. The state TANF plan identifies several provisions of the PRWORA that are inconsistent with MFIP-S.

- The requirements in §407(c) and (d) of the SSA that only the work activities cited count toward the weekly time standards is inconsistent with the state's waiver, which counts any activity that leads to employment.

- The provision in §407(c)(2)(D) of the SSA that restricts vocational educational training to 20 percent of families for purposes of determining participation rates. The state's "work activities" waiver has no such limitation.

- The restriction on the duration of job search activity in §407(c)(2)(A)(i) of the SSA. The state's waiver allows job search for a longer period

- The requirement in §402(a)(1)(A)(ii) of the SSA that a parent or caretaker be engaged in work by the 24th month of assistance. While MFIP-S requires a parent to be engaged in work much earlier than the 24th month, it allows exemptions which are inconsistent with the PRWORA requirement.

- The participation rate calculation in §407(b)(1)(A) and (B) of the SSA is inconsistent with the state's "employment services" waiver, which exempts certain families from participation and, therefore, from the denominator of the participation rate.

In addition, the TANF plan cites the provision at §402(a)(1)(A)(i) of the SSA, requiring the program to serve all political subdivisions of the state, as being possibly inconsistent with both the Work FIRST demonstration and the state's earlier MFIP demonstration and evaluation, neither of which is statewide and both of which have randomly assigned control groups that are subject to different rules from the waiver treatment groups.

Mississippi - The state intends to continue all of its approved waivers. The state's TANF plan indicates that the state has not yet determined which provisions are inconsistent with the PRWORA.

Missouri - The state elects to keep the waivers granted for both the statewide "Missouri Families Mutual Responsibility Plan" project (MFMRP) and the single-county "21st Century Communities Demonstration Project." The TANF plan identifies the allowable work activities under MFMRP as inconsistent with the PRWORA. The state will continue to allow all work activities as defined in (old) §482 of the SSA and previously approved under the state's JOBS plan to meet work participation rates.

Montana - The state intends to continue to operate the "Families Achieving Independence in Montana" (FAIM) demonstration, which is the basis of its TANF program. The TANF plan does not explicitly list any inconsistencies with the PRWORA.

Nebraska - The state will continue to operate its Employment First demonstration in five counties. The state's TANF plan says that the state will use the definition in its 1115 waiver (which differs from that in the PRWORA) of the activities that will be accepted as meeting the work requirements and will expand the use of this definition to a statewide basis. Subsequent correspondence from the state indicates that the state will continue to use its waiver authority to determine who is employable and will exempt from the time limit those determined not to be employable, even if they exceed 20 percent of the caseload.

Nevada - There are no §1115 waivers in Nevada.

New Hampshire - The state's TANF plan identifies the following sections of the PRWORA that are inconsistent with the "New Hampshire Employment Program" waiver demonstration:

- the provisions of §407(c) of the SSA that define when a participant is considered to be engaged in work;
- §407(c)(2)(A) of the SSA, which sets limits on the number of weeks for which job search qualifies as engagement in work;
- §407(c)(2)(D) of the SSA, which sets limits on the number of persons that may be treated as engaged in work by virtue of participation in vocational education activities or being the head of a household who maintains satisfactory school attendance.
- the requirement to engage in work once the state determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance for 24 months, whichever is earlier;
- the TANF definition of a minor child; and
- §408(a)(6) of the SSA, which prohibits use of any part of the grant to provide medical services.

New Jersey - The state's TANF plan says that New Jersey wishes to discontinue its title IV-A/F waivers.

New Mexico - The state's TANF plan does not mention §1115 waivers.

New York - The state's TANF plan does not mention §1115 waivers. The state's program will implement, with one exception, the New York State AFDC and JOBS plans that existed as of September 30, 1996. Because state plan pages, but not waiver terms and conditions, were attached to the TANF plan, the implication is that the state does not plan to continue its waiver demonstrations. In subsequent correspondence, the state has indicated that it will terminate its waivers in November 1997.

North Carolina - The state intends to continue to implement both the statewide waivers and the demonstration in Cabarrus County. Specific inconsistencies between the waivers and the PRWORA are not listed in the TANF plan, but the plan does say, "Inconsistencies between this state plan and the requirements of P.L. 104-193, not expressly prohibited by federal law, are supported by approved waivers, as interpreted with reference to the laws in effect at the time."

North Dakota - The state intends to continue most of its waivers granted for the TEEM Demonstration Project. The state's TANF plan does not mention which of the retained waiver provisions are inconsistent with the PRWORA.

Ohio - The state intends to continue its AFDC and JOBS waivers granted as of September 30, 1996. The state's TANF plan does not state which provisions are inconsistent with the PRWORA.

Oklahoma - The state currently operates a Learnfare demonstration in two counties, which it intends to continue. The TANF plan does not indicate any inconsistencies with the PRWORA.

Oregon - The state's TANF plan basically mirrors the provisions of the "Oregon Option" demonstration. The plan identifies the TANF provisions allowing unavailability of child care as good cause for noncooperation with employment requirements and the 5-year time limit as inconsistent with the Oregon Option demonstration.

Pennsylvania - The state's TANF plan does not mention §1115 waivers.

Puerto Rico - There are no §1115 waivers in Puerto Rico.

Rhode Island - A waiver application was pending at the time the state submitted its TANF plan. The plan says that the state intends to pursue the waivers, but has "not fully identified inconsistencies." Only a waiver of the AFDC-UP 100-hour rule was subsequently granted.

South Carolina - The state intends to retain certain waivers granted for the Family Independence Act demonstration and which appear to be in conflict with the TANF legislation. The following provisions are identified as inconsistent with the PRWORA:

- requiring court-ordered non-custodial parents to participate in employment and training activities;

- excluding as resources funds up to $10,000 deposited in an individual development account (IDA), and disregarding from income a lump sum payment of $10,000 or less that is deposited in an IDA within 30 days of receipt; and

- defining work as involvement in specific components that will lead to employment or improved employability, and counting participation in literacy classes, adult education, GED classes, technical schools, vocational training, work experience, and OJT toward the participation rate.

South Dakota - The state intends to continue its "Strengthening of South Dakota Families Initiative" demonstration. The TANF plan identifies four primary inconsistencies with TANF provisions:

- exempting from work participation and time limits disabled adults and adults needed in the home to care for a disabled family member;

- using a different method to determine the number of months before a parent or caretaker is required to engage in work;

- counting all participation in secondary education towards an individual's first 20 hours of participation regardless of the person's age, and counting job-readiness pre-employment training as a "work activity" for determining participation rates; and

- counting vocational and college education as work activities in determining participation rates.

Tennessee - The state will continue its "Families First Program" demonstration. The TANF plan does not identify any inconsistencies with the PRWORA. In subsequent correspondence, the state described the following variances between Families First and the PRWORA:

- Families First requires the caretaker, any other eligible adult required to work, and a minor parent to sign a personal responsibility plan that sets requirements regarding work or work-related activity, cooperation with child support, school attendance, immunizations, and health checks, whereas PRWORA requires an individual assessment of skills, work experience and employability.

- Families First counts life skills and post-secondary education as work, and does not limit the duration of job search and job readiness.

- Families First requires 20 hours per week in an ABE program for an individual who has a literacy level of 8.9 or less, in lieu of work activity, and exempts the individual from time limits.

- Tennessee does not have a work participation rate.

- Tennessee has categorical exemptions from and good cause extensions to its time limits, which are an 18-month period of eligibility and a 60-month lifetime maximum.

- Families First exempts all participants from work and time limits for the period of time that the state is unable to provide child care while participating in work-related activities.

- Assistance will be provided (using state funds) to legal aliens in accordance with the rules that were in place under title IV-A provisions in effect prior to PRWORA.

- IDA's may be used for career development or transportation, as well as home ownership, small business development, or education.

- There is no provision in Families First to deny assistance to individuals convicted of drug-related felonies or to fugitive felons.

Texas* - The state's TANF program is based, in part, on the terms and conditions of the state's §1115 waiver demonstration. The state's TANF plan says that work requirements will be based on the terms and conditions of the state's IV-A waiver, rather than the definitions in the PRWORA. This applies with respect to the 24-month work requirement as well as the methodology for calculating participation rates.

Utah - According to the state's TANF plan, because the provisions of the state's Single Parent Employment Demonstration Project (SPED) are referenced in state statute, the state must continue all of the demonstration's waivers until after the next legislative session. The state will notify the Federal government no later than 90 days after the end of that session concerning which waivers they will elect to maintain. In subsequent correspondence, the state cited one of its §1115 waivers in advising the Department that it will continue to define work activities very broadly, including family counseling, parenting counseling, weight reduction classes, drug and alcohol programs and counseling, and other activities as needed to enable a person to participate in employment or employment-related activities.

Vermont* - The state has based its TANF plan on its existing Welfare Restructuring Project demonstration, which it will continue to operate. No inconsistencies with the PRWORA are explicitly identified.

Virginia - Virginia's TANF program is based on the state's waiver-based welfare reform initiative. The state intends to continue the Virginia Independence Program (VIP) demonstration. Other approved waiver demonstrations are not mentioned in the state's TANF plan, nor does the plan list provisions of VIP that are inconsistent with TANF. In subsequent correspondence, the state listed inconsistencies between waivers and TANF in the following areas:

- Job search: The state does not limit either the duration or the number of job search assignments to which a participant may be assigned; each assignment is calculated in the participation rate for full allowable credit.

- Sanctions: The state applies sanctions for minimum periods for failure to participate satisfactorily in an assigned activity. The minimum periods are 1 month for the first offense, 2 months for the second, and 3 months for the third and subsequent offenses; if the individual has not complied by the end of the minimum sanction period, the sanction will continue until the individual complies.

- Work program exemptions: The state exempts persons under age 16 or over 59, full-time students, incapacitated or disabled individuals, persons who are the sole caregiver of another household member who is incapacitated, the parent of a child under 18 months of age, caretakers other than parents, and women in their fourth through ninth month of pregnancy. In effect, this exempts about 50 percent of cash assistance recipients.

- Time limits: The state allows hardship exceptions to its 24-month time limit in certain circumstances. Also, there is no lifetime limit on benefits. Once a recipient has received cash assistance for 24 months and transitional assistance for 12 months, he or she will be ineligible for 24 months, but there is no restriction on the number of times a person may cycle on and off the program.

- Minor parents: Virginia does not grant an exception to the requirement that a minor parent live with a responsible adult because no responsible adults will allow the minor to reside with them.

Virgin Islands - There are no §1115 waivers in the Virgin Islands.

Washington - The state is dropping its AFDC-UP "100-hour rule" waiver as unnecessary, but is continuing the "length-of-stay grant reduction" provision of its Success Through Employment Program (STEP) demonstration. This provision reduces benefits by ten percent to a family that has been on assistance for 48 out of 60 months, and another 10 percent for each 12 months thereafter. The state's TANF plan identifies the following TANF provisions as "inconsistent with and inoperative under STEP":

- the 5-year lifetime limit;

- the 20 percent hardship exemption cap;

- sanctions for failure to meet work participation requirements;

- the 24-month work requirement;

- the definition of work activities, including the number of hours required; and

- the provisions limiting assistance to legal immigrants.

Information on subsequent state legislation indicates that Washington will terminate the STEP program.

West Virginia - The state's TANF plan does not mention §1115 waivers.

Wisconsin* - The state intends to continue approved demonstrations and to implement the pending "Wisconsin Works" (W-2) demonstration. The state's TANF plan does not list inconsistencies between the state's waivers and the PRWORA.

Wyoming - Wyoming has requested that its approved and submitted waivers be terminated.

State TANF Time Limits

State	Time Limit	Exemptions	Extensions
Arizona <u>TANF</u> Subject to TANF: 10/01/96 5-Year Limit: 11/01 <u>Demonstration</u> Approved: 5/95 Implemented: 10/95 Time Limit: 10/97 End Date: 09/02	24 within 60 Adult household member can only receive cash assistance for 24 months during a 5-year period.	• physically or mentally unable to go to work or training • the only member of the assistance unit who can stay home to care for another physically or mentally disabled household member • participant in JOBSTART demonstration	Education/Training Extension: Person receiving assistance may receive up to two 4-month extensions to complete a post-secondary education or training program. Good Cause Extension: Person may receive a 6-month extension if good cause exists for being unable to obtain employment.
Connecticut <u>TANF</u> Subject to TANF: 10/96 5-Year Limit: 10/01 <u>Demonstration</u> Approved: 12/95 Implemented: 1/96 Time Limit: 10/97 End Date: 09/02	21	• good faith effort to find employment • families suffering from domestic violence or other circumstances beyond their control • family with an adult relative who is incapacitated or of an advanced age • family with an adult relative needed in the home because of incapacity of another member of the household • family with an adult relative caring for a child under one year of age, who is not covered under the family cap • family with a pregnant or postpartum adult relative if a physician has indicated that she is unable to work • family with an adult relative otherwise determined to be unemployable, as defined by the State	Approved waiver that allows 6 month extensions that can exceed 60 months.

State	Time Limit	Exemptions	Extensions
Delaware <u>TANF</u> Effective: 03/97 5-Year Time Limit: 03/02 <u>Demonstration</u> Approved: 5/95 Implemented: 10/95 Time Limit: 10/97 End Date: 09/02	24 Every participant recipient age 19 and above capable of work will be subjected to the 2 year limit. Recipients who cannot locate private sector jobs despite good faith efforts to do so, can receive pay-after-performance payments, based on hours actually worked, for participating in a workfare job for a maximum of 2 more years. Assistance will be denied to employable caretakers reapplying for benefits after the 48 cumulative month time limit unless the family has not received assistance for 96 consecutive months or the caretaker proves that grounds exist for an extension. Benefits for these families only in pay-after-performance, for a maximum of 12 additional cumulative months.	• families for which a determination has been made that they cannot be expected to achieve self-sufficiency (e.g., adult needed in home to provide care for a disabled child or the parent is disabled and receiving SSI) • families in which there is a non-needy non-parent caring for a needy child	Extensions will be provided only to those families who can demonstrate that: the Agency substantially failed to provide the services specified in the individual's Contract of Mutual Responsibility; the related extension will correspond to the time period for which services were not provided; or despite their best efforts to find and keep employment, no suitable unsubsidized employment was available in the local economy to the employable adult caretaker; the maximum extension under such circumstances will be 12 months. Extensions may also be granted where other unique circumstances exist.

State	Time Limit	Exemptions	Extensions
Florida (8 counties) TANF Effective: 10/96 5-Year Time Limit: 10/01 Demonstration Approved: 1/94 Implemented: 2/94 Time Limit: 2/96 End Date: 12/01	(1) 24 out of 60 with lifetime of 48; (2) 36 out of 72 with lifetime of 48 for: (a) received aid to families with dependent children or temporary assistance for any 36 months of the preceding 60 months; (b) custodial parent under the age of 24 who: 1) has not completed high school or its equivalent; or 2) had little or no work experience in the preceding year. The time limit requirement of the WAGES Act establishes a two-tier time limit requirement based on level of welfare dependency and participant characteristics and need and provides for those families that may need hardship exemptions.	• diligent participation in activities, combined with inability to obtain employment • diligent participation, combined with extraordinary barriers to employment, including the conditions which may result in an exemption to work requirements • significant barriers to employment, combined with a need for additional time • diligent participation in activities and a need by teen parents for an exemption in order to have 24 months of eligibility beyond receipt of the high school diploma or equivalent • recommendation of extension for a minor child of a participating family that has reached the end of the benefit eligibility period • child-only cases • eligible for benefits under the SSI program due to age or disability is not subject to time limitations.	Cumulative total of all hardship exemptions may not exceed 12 months, may include reduced benefits, and shall, in combination with other period of temporary assistance as an adult, total no more that 48 months of temporary assistance. Hardship exemptions to the time limitations shall be limited to 10 percent of participants in the first year, 15 percent in the second year, and 20 percent in all subsequent years.
Hawaii TANF Effective: 07/97 5-Year Time Limit: 07/02 Demonstration Approved: 8/96 Implemented: 2/97 Time Limit: 3/03 End Date: 09/05	60 months 5-year time limitation for households that contain at least one non-exempt adult.	• disabled • caring for a child under 6 months of age • caring for an ill or incapacitated family member • age 60 or over • Vista volunteer • children only cases	These households shall, therefore, be excluded in the calculation of participation rates and may exceed the 20% exemption from time limits due to hardship.

State	Time Limit	Exemptions	Extensions
Indiana TANF Effective: 10/96 **5-Year Time Limit: 10/01** Demonstration Approved: 12/94 Implemented: 5/95 Time Limit: 5/97 End Date: 05/02	24 months Family members on public assistance are limited to two years lifetime benefits.	Time limits apply to adults except during periods in which the adult is exempt from JOBS, for the period that the exemption applies. The following JOBS exemptions apply: * is a child who--(a) under age 16, or (b) attends school full-time * is ill or incapacitated * age 60 years or older * needed in home to care for ill or incapacitated family member, and * is pregnant and child is expected to be born in the month in which participation would be required or within the following 6-month period	Approved extensions may be for a period of up to 1 year and can be renewed. A person may earn credit for 1 month of assistance for each 6 consecutive months the person is employed. However, a person may not retain credit for more than 24 months at a time. Extensions will be granted to an assistance unite in which the adult parent or caretaker relative has cooperated with the JOBS program, and has substantially complied with the requirements of her/his plan, in the following circumstances: State has failed to provide services in the IRF; despite all appropriate efforts, individual has been unable to find or has lost without cause, employment; and, the Director, Division of Family and Children, determines that other unique circumstances exist which prevent the individual from obtaining or retaining employment.
Nebraska (5 counties) TANF Effective: 12/96 **5-Year Time Limit: 12/01** Demonstration Approved: 2/95 Implemented: 11/95 Time Limit: 10/97 End Date: 09/02	5 counties: (1) 24 within 48 For families with an employable adult, assistance is available for up to 2 years without earned income. (2) No time limit No time limit for families without an employable adult. Remaining State: (3) 60 months	* mental, emotional or physical conditions * caretaker relative in the family does not have parental responsibility for the children and assistance is requested for only the children	Extensions are allowed if there is no job available to the recipient that nets the recipient at least the amount of the AFDC cash benefit plus work expenses minus any unearned income received by the family; the termination of cash benefits would result in the family not having sufficient funds so as to be able to avoid extreme hardship; the adult members of the family are no longer able to meet the conditions of their self-sufficiency contract; or the State has failed to meet the terms of the self-sufficiency contract

Vehicles for Determining Whether a State Is Subject to a Penalty

The Single Audit

We will use the single audit and any other reviews to monitor compliance with five of the penalties -- those found at sections 409(a)(1), 409(a)(4), 409(a)(5), 409(a)(11), and 409(a)(14) of the Act.

The Emergency TANF Data Report

This report will provide us with much of the information necessary for calculating a State's minimum work participation rates and, thus, whether a State has satisfied the requirement at 409(a)(3). In addition, failure to submit this report could result in a penalty under section 409(a)(2). Ultimately, we will use the Data Collection and Reporting Requirements to monitor compliance with section 409(a)(9) as well.

The ACF Financial Reporting Form ACF-196

We will use this form to determine a State's compliance with the expenditure requirements at sections 409(a)(1), 409(a)(7), 409(a)(10), 409(a)(12) and 409(a)(13) of the Act.

A specific vehicle for determining a State's compliance with section 409(a)(6) is unnecessary. In our loan agreements with States, we will specify due dates for the repayment of the loans and will know if payments are not made.

Examples of One-Time Diversion Payments

Arkansas

o The payment may be the actual cost of what it would take to resolve the problem up to a maximum equal to 3 months of cash assistance.

Colorado

o Some families may receive a one time payment.

Florida

o One time payments not to exceed 2 months of assistance. Precludes reapplication for 3 months.

Idaho

o One-time needs could include car repair, moving expenses, employment fees, tools, etc. The payment can be 3 times the maximum TAFI grant. There is a reduction of 2 months of benefits for every month of cash assistance payment used in this option.

Maryland

o Allow recipients to choose a one-time payment equal to up to three months of AFDC benefits in lieu of AFDC.

Montana

o Provide a one-time employment related payment to JSP and Pathways participants, the maximum amount of which will be three times the AFDC grant to which the family would be entitled. The payment will be in lieu of two months of future benefits for each month's equivalent of AFDC and will be excluded as countable income in determining food stamps benefits.

North Carolina

o Offer new applicants a one time payment in lieu of AFDC equaling up to 3 months of the AFDC benefits for which the family is eligible.

Texas

o Allow an otherwise eligible recipient the option of one-time AFDC cash emergency assistance payments of $1,000 in lieu of ongoing regular AFDC payments with prohibition from applying for regular AFDC for a period of 12 months from date of receipt.

Utah

o Self sufficiency planning will be required prior to eligibility determination for financial assistance, with one-time payments used to divert certain applicants from assistance through employment and child support.

Virginia

o In lieu of AFDC, provide voluntary diversion payments in an amount up to 4 months of AFDC benefits to qualified applicants.

West Virginia

o A one-time-only diversionary cash payment is available to applicants that allows up to the amount of three 3 months of regular cash assistance payments.

Wisconsin

o One-time needs to support employment. The loan can be used for immediate expenses with a direct relationship to obtaining or maintaining employment (for example, auto repairs or obtaining work clothes). The Department will establish the parameters for loan amounts and repayment conditions.

States that have waivers with work activities identified as inconsistent with current law

[Note: This list only includes provisions identified as inconsistent by a state in its TANF plan or in subsequent correspondence.]

Connecticut - a broader definition of what activities and hours constitute participation in work activities for purposes of calculating the participation rate.

Delaware - the work participation policies in §407 of the SSA, which conflict with ABC with respect to the limitations placed on the activities that count as participation in general and with respect to the calculation of participation rates, limitations on the percent of individuals who can be counted as participants who are engaged in vocational educational training or are minor parents in school, limitations on the amount of time participants can be engaged in vocational education, and the inclusion of individuals exempted by ABC in the denominator in calculating the participation rate.

Illinois - the Targeted Work and Get A Job waivers include an extended Job Search component, which is inconsistent with the PRWORA.

Massachusetts - The state is counting in its determination of work participation rate all activities formerly counted toward its JOBS participation rate, including job placement, job readiness, job search, education, training, the Full Employment Program, Supported Work, community service, any subsidized or unsubsidized job, and programs that extend beyond the time constraints specified in the PRWORA such as a 2-year community college program; and job search may be required without limitation on the number of weeks.

Minnesota - The requirements in §407(c) and (d) of the SSA that only the work activities cited count toward the weekly time standards is inconsistent with the state's waiver, which counts any activity that leads to employment; the provision in §407(c)(2)(D) of the SSA that restricts vocational educational training to 20 percent of families for purposes of determining participation rates conflicts with the state's "work activities" waiver, which has no such limitation; and the restriction on the duration of job search activity in §407(c)(2)(A)(i) of the SSA is inconsistent with the state's waiver, which allows job search for a longer period.

Missouri - The TANF plan identifies the allowable work activities under MFMRP as inconsistent with the PRWORA. The state will continue to allow all work activities as defined in (old) §482 of the SSA and previously approved under the state's JOBS plan to meet work participation rates.

Nebraska - The state's TANF plan says that the state will use the definition in its 1115 waiver (which differs from that in the PRWORA) of the activities that will be accepted as meeting the work requirements and will expand the use of this definition to a statewide basis.

New Hampshire - the provisions of §407(c) of the SSA that define when a participant is considered to be engaged in work; §407(c)(2)(A) of the SSA, which sets limits on the number of weeks for which job search qualifies as engagement in work; and §407(c)(2)(D) of the SSA, which sets limits on the number of persons that may be treated as engaged in work by virtue of participation in vocational education activities or being the head of a household who maintains satisfactory school attendance.

South Carolina - defining work as involvement in specific components that will lead to employment or improved employability, and counting participation in literacy classes, adult education, GED classes, technical schools, vocational training, work experience, and OJT toward the participation rate.

South Dakota - counting all participation in secondary education towards an individual's first 20 hours of participation regardless of the person's age, and counting job-readiness pre-employment training as a "work activity" for determining participation rates; and counting vocational and college education as work activities in determining participation rates.

Tennessee - Families First counts life skills and post-secondary education as work, and does not limit the duration of job search and job readiness; Families First requires 20 hours per week in an ABE program for an individual who has a literacy level of 8.9 or less, in lieu of work activity, and exempts the individual from time limits; and Tennessee does not have a work participation rate.

Texas - The state's TANF plan says that work requirements will be based on the terms and conditions of the state's IV-A waiver, rather than the definitions in the PRWORA. This applies with respect to the 24-month work requirement as well as the methodology for calculating participation rates.

Utah - The state cited one of its §1115 waivers in advising the Department that it will continue to define work activities very broadly, including family counseling, parenting counseling, weight reduction classes, drug and alcohol programs and counseling, and other activities as needed to enable a person to participate in employment or employment-related activities.

Virginia - The state does not limit either the duration or the number of job search assignments to which a participant may be assigned; each assignment is calculated in the participation rate for full allowable credit.

Washington - the definition of work activities, including the number of hours required.

* * * * * *

The following additional states have waiver provisions involving work activities allowed under JOBS, including duration of Job Search. These provisions may or may not be inconsistent with the requirements of the PRWORA.

Georgia
Hawaii
Iowa
Kansas
Michigan
North Carolina
North Dakota
Oregon
Vermont

States that have waivers with hours of work identified as inconsistent with current law

[Note: This list only includes provisions identified as inconsistent by a state in its TANF plan or in subsequent correspondence.]

Hawaii - §407(c) of the SSA, which defines "engaged in work." The state has defined satisfactory participation for the purpose of calculating participation rates as "participation in work activities for at least the average of not fewer than 18 hours per week." The 18-hours requirement will remain in effect for the duration of the waiver period.

Massachusetts - Mandatory work requirement: require a nonexempt recipient (including both parents in a two-parent household) to work and/or perform community service for 20 hours per week.

Tennessee - Families First requires 20 hours per week in an ABE program for an individual who has a literacy level of 8.9 or less, in lieu of work activity, and exempts the individual from time limits; and Tennessee does not have a work participation rate.

Washington - the definition of work activities, including the number of hours required.

* * * * * * *

The following additional states have waivers involving hours of work or employment-related activity, which may or may not be inconsistent with PRWORA requirements:

- Connecticut
- Georgia
- Kansas
- Michigan
- Montana
- New Hampshire
- North Carolina
- Oregon
- South Carolina
- South Dakota
- Tennessee
- Vermont
- Virginia
- Wisconsin

evaluations, control group cases would be subject to prior law policies (JOBS work requirements/no time limit) and experimental group cases would be subject to prior law policies as modified by waivers.

Penalties for Bifurcation -- Status

Item	Memo to POTUS	Guidance	HHS Regulation	Our Current Position
1. Penalties -- Issue 1(a)	"A state can't receive any good cause consideration -- i.e., mitigation in penalty for failure to meet work participation rates" unless states shows it did not use bifurcation to evade work participation rates	Limited to reasonable cause for work penalty -- No reasonable cause for work penalty to states whose policies work to circumvent the work requirements	Same as guidance, plus no reduction in penalty for degree on non-compliance	We are seeking: (1) to prevent states from getting access to corrective compliance plans and "some or all" penalty reduction if they bifurcate; and (2) to apply these limitations to <u>all</u> penalties, not just the work penalty
2. Child support collections -- Issue 1(b)	Issue regs authorizing data collection; work with Governors and Congress to prevent	Yes -- same as memo	Same as memo and guidance ~~(double check)~~	None of the 4 breaks on penalties unless states proves it did not divert families to deny feds child support dollars
3. Caseload Reduction Credit -- Issue 3(b)	No credit unless states shows reduction is not the result of bifurcation	Yes -- No credit unless states demonstrate that caseload reduction not an artifact of bifurcation	Yes -- part of calculation (with a limited exception)	OK
4. High Performance Bonus -- Not on list	HHS will look at states overall effort in determining high performance bonus	Identical to memo	Only addresses data -- state can't qualify unless it supplies data on separate state programs	~~Do we want to insist up-front that a state that bifurcates is not eligible under any circumstances for the bonus, not simply that HHS will look at that factor?~~

Penalties for Bifurcation -- Status

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4. High Performance Bonus -- Not on list	HHS will look at states overall effort in determining high performance bonus	Identical to memo	Only addresses data -- state can't qualify unless it supplies data on separate state programs	

Penalties for Bifurcation -- Status

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Penalties for Bifurcation -- Status

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2. Child support collections -- Issue 1(b)	Issue regs authorizing data collection; work with Governors and Congress to prevent	Yes -- same as memo	Same as memo and guidance	None of the 4 breaks on penalties unless states proves it did not divert families to deny feds child support dollars
3. Caseload Reduction Credit -- Issue 3(b)	No credit unless states shows reduction is not the result of bifurcation	Yes -- No credit unless states demonstrate that caseload reduction not an artifact of bifurcation	Yes -- part of calculation (with a limited exception -- 3(b))	OK
4. High Performance Bonus -- Not on list	HHS will look at states overall effort in determining high performance bonus	Identical to memo	Only addresses data -- state can't qualify unless it supplies data on separate state programs	

11/7
2:20

Diversion to Separate State Programs to Avoid Work Participation Rates and Child Support Requirements

Issue: States can spend their TANF maintenance-of-effort funds in separate State programs. The proposal under discussion reflects a concern that this authority could be used to avoid the work participation requirements and Federal child support collections. It would require a State to prove it had not diverted participants, as a condition of gaining penalty relief. HHS has agreed to condition the reasonable cause penalty exception and degree of non-compliance penalty reduction for the work penalty on a state's non-diversion of cases to avoid work requirements.

EOP Position: In addition to the restrictions above, states that divert families for the purpose of avoiding the work participation rates should not be permitted to enter into a corrective compliance plan or to receive a reduction in penalty after failing to correct a violation. States otherwise will be able to avoid meeting participation rates by diverting hard to employ individuals from their TANF caseloads into separate state programs. These restrictions should apply to all penalties, not simply the work participation rate penalty.

In addition, we should withhold all four of these forms of penalty relief from states that divert families in order to prevent the federal child support collections. The net Federal share of child support collections in FY1998 are estimated at $1.047 billion, which states could avoid passing to the Federal government by diverting cases to separate state programs.

HHS Position: The current proposed rule incorporates the strict enforcement of the TANF penalty mechanisms that are related to work participation rates -- denying reasonable cause for work penalty, collecting all the data we can, and monitoring for abuse to see if additional remedies need to be pursued, consistent with the mutually agreed upon January HHS guidance. In addition HHS would hold states accountable through use of the high performance bonus to reward states for getting recipients into work and use of the bully pulpit to publicize states actions if they abuse their flexibility and future legislative or administrative remedies if abuse is widespread. Further regulatory prescriptiveness at this time regarding how states spend their own money will be viewed by Congress and the Governors as Federal overreaching, intrusiveness and micromanagement. This would endanger the Administration's success to date in promoting a shared state-Federal commitment to work and it would risk shifting the public discussion from successful welfare reform to the old debate about the Federal role. It also makes the regulations susceptible to both legal and political challenge and severely damages our relationship with states which is essential to the continued success of welfare reform.

Treatment of State Waivers

Issue: The TANF law allows States to continue to operate waiver provisions that are "inconsistent" with TANF. The issues at hand are 1) what is the scope of waiver policies that can be continued; and 2) whether we can and should deny bonuses and certain penalty relief to states that continue to operate waivers that differ from TANF work requirements and time limits.

EOP Position: States should not be able to continue program features that were not specifically covered under a waiver, such as unlimited vocational education, college attendance, or more than 6 weeks a year of job search. In addition, states should not be able to expand waivers beyond the geographic area in effect (i.e., implemented) on date of enactment.

States that do not comply with TANF rules regarding work requirements or time limits because they continue inconsistent waivers should not be eligible for the bonuses and rewards established under the new law, including the high performance bonus, the caseload reduction credit, a reasonable cause penalty exception, a corrective compliance plan, or a reduced penalty for any of the violations established in the law. Without these changes, many states will opt to continue waiver programs with less stringent work rules and time limits than those in the new law.

HHS Position: The current proposed rule provides a tight interpretation of the waiver inconsistency language that protects against widespread avoidance of the TANF provisions. Taken as a whole, these additional regulatory restrictions appear to thwart Congressional intent in providing states with the opportunity to continue operating waivers. Such an approach is difficult to explain in light of the Administration's prior support of these waiver projects and claims of success. Denying a high performance bonus also would punish the very states whose waivers are most innovative and effective, undermine our efforts to shift the focus to outcomes, and severely damage a strong working relationship we have developed with the states. Further, denial of caseload reduction credits and the opportunity to enter into corrective compliance plans may not be legally sustainable. Given our limited and indirect regulatory authority, we should exercise some restraint in penalizing states that elect an option available to them under law. Finally, the proposal would create unfair and untenable distinctions among states facing penalties, based solely on whether they have a waiver.

Caseload Reduction Credit   Fingerprinting

Section 271.42 Which reductions count in determining the caseload reduction factor?

(a) Each State's estimate must factor out any caseload decreases due to Federal requirements or State changes since FY 1995 that affect an individual's eligibility for assistance. These include:

(1) Changes in eligibility rules that directly affect a family's eligibility for benefits (e.g., more stringent income and resource limitations or time limits); and

(2) Procedural changes that have the effect of significantly delaying or denying eligibility ~~(e.g., documentation requirements that create obstacles to the receipt of assistance)~~.

A State need not factor out calculable effects of ~~enforcement mechanisms~~ new procedural requirements that are used to enforce existing eligibility criteria (e.g., fingerprinting or other verification techniques). to the extent such requirements identify ~~families that were,~~ that were ineligible under existing eligibility rules.

Preamble language for Section 271.42

Thus, we propose to give States credit for caseload reductions except when those caseload reductions arise from two kinds of changes in eligibility: (1) changes in eligibility rules that directly affect a family's eligibility for benefits (e.g., more stringent income and resource limitations or time limits); or (2) changes in procedural conditions of eligiblity that also have a direct and significant effect on caseloads by delaying or denying eligibility ~~(e.g., documentation requirements that create extra obstacles or delay receipt of benefits).~~

Under this approach, we would not give States credit for caseload reductions due to new procedural requirements where such requirements served simply as an obstacle that had the effect of keeping eligible families from seeking or receiving assistance. We would allow States to get caseload reduction credit where they can show (through actual case studies, sampling, or other reliable techniques) that new procedural requirements (such as fingerprinting or other verification techniques) have resulted in the identification of families that were ineligible under existing eligibility rules, ~~or~~ including the deterrence of such families from applying for benefits. ~~In making this distinction, States could report the actual number of cases identified as fraudulently seeking benefits or they could use a sample to determine what percentage of cases were deterred because they were ineligible (and not accurately reporting their circumstances). Unless a State provided documented evidence that cases were diverted from the rolls due to fraud or misreporting, we would exclude all cases diverted from the rolls by procedural requirements from the State's caseload reduction credit.~~'

Through this policy approach, we are seeking to achieve the balance identified by Congress: that a State should receive credit for moving families off welfare, including by detecting and preventing fraud, but should not be able to avoid its accountability for work as a result of any changes that restrict program eligibility.

Anil Kakani
11/07/97 06:24:04 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP, Laura Oliven Silberfarb/OMB/EOP, Emil E. Parker/OPD/EOP

cc:
Subject: whoops, mistake on child-only language

I sent in my last e-mail language I faxed to Maddy, but included the wrong language on child-only. Following is the correct language:

Child Only

Insert at **§271.22 (b)**

(3) States may define "families... that include an adult or a minor child head of household," but may not exclude families from the definition solely for the purpose of avoiding penalties under §271.50.

(i) States shall report annually to HHS on the number of families excluded because of the State's definition and the circumstances underlying each exclusion.

(ii) Where the Secretary finds that a state has excluded families for the purpose of avoiding a penalty for work participation, she shall include those families in the calculation in this subsection in determining whether a State is subject to the penalty described in §271.50.

Insert at **§271.24 (b)**

(3) States may define "families... that include an adult or a minor child head of household" but may not exclude families from the definition solely for the purpose of avoiding penalties under §271.50.

(i) States shall report annually to HHS on the number of families excluded because of the State's definition and the circumstances underlying each exclusion.

(ii) Where the Secretary finds that a state has excluded families for the purpose of avoiding a penalty for work participation, she shall include those families in the calculation in this subsection in determining whether a State is subject to the penalty described in §271.50.

Insert at **§274.1 (a)**

(3) States may define "a family that includes an adult" but may exclude families from the solely for the purpose of avoiding penalties under §274.2.

(i) States shall report annually to HHS on the number of families excluded because of the State's definition and the circumstances underlying each exclusion.

(ii) Where the Secretary finds that a state has excluded families for the purpose of avoiding a penalty for the five year time limit, she shall include those families in the calculation under subsection (c) in determining whether a State has complied with time limit extension rules and is subject to the penalty described in §274.2.

Conforming Changes
Section 271.24 (b)(1) should be revised as follows:

(1) The number of two-parent families receiving TANF assistance that include an ~~in which the~~ adults or minor child head-of-household and other parent who meet the requirements set forth in §271.32 for the month (the numerator) divided by.....

Section 274.1(c) should be revised as follows:

...This provision requires computation of an average monthly percent for each fiscal year, with the numerator for each month equal to the number of families that include an adult receiving assistance beyond the five-year limit and the denominator equal to the average monthly number of families that include an adult receiving assistance during the fiscal year......

Anil Kakani
11/07/97 04:30:56 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP, Laura Oliven Silberfarb/OMB/EOP, Emil E. Parker/OPD/EOP

cc:
Subject: HHS response

Maddy just passed along the following info to me:

- they are fine w/ the domestic violence language
- they are fine w/ the separate state program language, notwithstanding a few minor wording changes she is faxing over
- they are unsure if they can do what we are requesting w/ the child-only issue but need to speak w/ their lawyers
- they are unwilling to make any changes to the reg. language on admin. costs, but would be willing to incorporate some of the preamble language

Its not clear to me how or when the latter two issues will be resolved. Following is the language I sent over.

sistance in separate state programs
n we get an illustrative list of which populations would be counted in or out of the caseload as a result of each of the lowing draft provisions.

71.42(b) (1) The cases overlap with or duplicate cases in the TANF caseload.

They are cases made ineligible for federal benefits by PRWORA that are receiving only state-purchased assistance, trition assistance, or other benefits.

They are cases that are receiving only state earned income tax credits, child care, transportation subsidies or benefits f rking families that are not directed to meet their basic needs.

ild–only cases

71.22

While states have the option to define "families... that include an adult or a minor child head of household" as used in ction 407(b)(1)(B)(i) regarding the calculation of the participation rates, they may not use a definition that excludes fam the purpose of avoiding penalties.

States shall report annually to HHS on the number of families excluded from the calculation in Section 407(b)(1)(B)(the circumstances underlying the exclusion.

Where the Secretary finds that a state has excluded families for the purpose of avoiding a penalty for work participati time limits, she shall include those families in the calculation in Section 407(b)(1)(B)(i).

74.1

While states have the option to define "a family that includes an adult" as used in Section 408(a)(7)(A) regarding the fi r time limit, they may not use a definition that excludes families for the purpose of avoiding penalties

States shall report annually to HHS on the number of families excluded from the calculation in Section 408(a)(7)(A) a circumstances underlying the exclusion.

Where the Secretary finds that a state has excluded families for the purpose of avoiding a penalty for work participatio e limits, she shall include those families in the calculation in Section 408(a)(7)(A).

mestic Violence

74.3 (b)(2)
i) To qualify for an exclusion, such families must have good cause domestic violence waivers that:

) Reflect the State's assessment that an individual in the family was at the time the waiver was granted temporarily un work because of domestic violence;

) Were in effect ~~after~~ at the time that the family had received a hardship exception from the limit on receiving erally-funded assistance for 60 or more months; and

) Were granted appropriately, in accordance with the criteria specified at 270.30 of this chapter."

Administrative Costs

Regulatory language

§270.30(b) Administrative costs means costs necessary for the proper administration of the TANF program or separate State programs. It includes the costs for general administration and coordination of these programs, including indirect (or overhead) costs. Examples of administrative costs include:

(1) Salaries and benefits **for staff time, and the proportionate share of all other costs,** ~~of staff~~ not associated with providing program services (such as diversion, assessment, development of employability plans, work activities and post-employment servies, and supports) to individuals; ...

Preamble language

You will note that the definition we have proposed does not directly address case management or eligibility determination. **We understand that in many instances the same individuals may be performing both activities**. ~~This omission was intentional because we believe that drawing that specific distinction may be extremely difficult in some circumstances~~. **In such cases,** ~~Under our proposal,~~ to the extent that a worker's activities were essentially administrative in nature (e.g., traditional eligibility determinations and verifications), ~~those~~ **the portion of the worker's time spent on such** activities ~~would~~ **will** be treated as administrative costs. **The same percentage of all other costs (e.g., including those activities described in §270.30(2) through §270.30(10)) associated with this individual must also be treated as administrative costs**. To the extent that a worker was basically doing case-management fucntions or delivering services to clients, that **portion of a** worker's time can be charged as program costs.

Cynthia A. Rice 11/07/97 06:56:51 PM

Record Type: Record

To: mmocko @ acf.dhhs.gov @ inet

cc: Diana Fortuna/OPD/EOP, Emil E. Parker/OPD/EOP, Anil Kakani/OMB/EOP, Laura Oliven Silberfarb/OMB/EOP

Subject: Revised fingerprinting language

Here are suggested changes to the "fingerprinting" language you drafted (see below), give or take a word or two--

Section 271.42 Which reductions count in determining the caseload reduction factor?

(a) Each State's estimate must factor out any caseload decreases due to Federal requirements or State changes since FY 1995 that affect an individual's eligibility for assistance. These include:

(1) Changes in eligibility rules that directly affect a family's eligibility for benefits (e.g., more stringent income and resource limitations or time limits); and

(2) Procedural changes that have the effect of significantly delaying or denying eligibility ~~(e.g., documentation requirements that create obstacles to the receipt of assistance~~).

A State need not factor out calculable effects of enforcement mechanisms that are used to enforce existing eligibility criteria (e.g., fingerprinting or other verification techniques).

Preamble language for Section 271.42

Thus, we propose to give States credit for caseload reductions except when those caseload reductions arise from two kinds of changes in eligibility: (1) changes in eligibility rules that directly affect a family's eligibility for benefits (e.g., more stringent income and resource limitations or time limits); or (2) changes in procedural conditions of eligiblity that also have a direct and significant effect on caseloads by delaying or denying eligibility ~~(e.g., documentation requirements that create extra obstacles or delay receipt of benefits).~~

Under this approach, we would not give States credit for caseload reductions due to new procedural requirements where such requirements served simply as an obstacle that had the effect of keeping eligible families from seeking or receiving assistance. We would allow States to get caseload reduction credit where they can show (through actual case studies, sampling, or other reliable techniques) that new procedural requirements (such as fingerprinting or other verification techniques) have resulted in the identification of families that were ineligible under existing eligibility rules, or the deterrence of such families from applying for benefits . ~~In making this distinction, States could report the actual number of cases identified as fraudulently seeking benefits or they could use a sample to determine what percentage of cases were deterred because they were ineligible (and not accurately reporting their circumstances). Unless a State provided documented evidence that cases were diverted from the rolls due to fraud or misreporting, we would exclude all cases diverted from the rolls by procedural requirements from the State's caseload reduction credit.~~ '

Through this policy approach, we are seeking to achieve the balance identified by Congress: that a State should receive credit for moving families off welfare, including by detecting and preventing fraud, but should not be able to avoid its accountability for work as a result of any changes that restrict program eligibility.

FAX COVER

Income Maintenance Branch
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

To: Rice / Fortuna

Organization:

Fax Number: 6-7431

From: Anil

Date/Time:

Number of Pages: Cover + ________

Notes:

Income Maintenance Fax Number: (202) 395-0851
Voice Confirmation: (202) 395-4686

Assistance in separate state programs

1) ok as written

2) They are cases...that are receiving only state-funded cash assistance,...

3) They are cases...or benefits for families... (delete working because not all of these families may be working)

Examples:

1) Case getting benefits in state only and TANF, e.g., receiving TANF cash assistance and education services from State only

2) immigrant families cut off from Food Stamps and SSI

3) Receiving any of the specific items listed in this section, e.g., state eitc, child care, etc., or other services such as substance abuse

resources devoted to case management and fewer distinctions between administrative activities and services provided to recipients.

You will note that the definition we have proposed does not directly address case management or eligibility determination. We understand that, in many instances, the same individuals may be performing both activities. In such cases, to the extent that a worker's activities are essentially administrative in nature (e.g., traditional eligbility determinations or verifications), the time spent on such activities will be treated as administrative costs. However, to the extent that a worker is basically doing case-management functions or delivering services to clients, that worker's time can be charged as program costs.

We believe that the definition we have proposed will not create a significant new administrative burden on States. We hope that it is flexible enough to facilitate effective case management, accommodate evolving TANF program designs, and support innovation and diversity among State TANF programs. It also has the significant advantage of being closely related to the definition in effect under the Job Training Partnership Act (JTPA). Thus, it should facilitate the coordination of Welfare-to-Work and TANF activities and support the transition of hard-to-employ TANF recipients into the work force.

Sally - 1-2 days staff wk
- 2+6A
- 3a - try 3b
- 4 - talk
- 5 - talk
6b - talk
6c - ask BR - results? Email
7 - Lawyers talk
8 Above may affect 1

~~8gap Wed~~
Olivia - all; ccp - why?
- lock in?
- link to 2 parent

EK: Vs on 5+7c - but get a go

1+7 - Begin Issue Statement & Elevate; HHS & our side
Tues. - ATUS cow
Olivia → DS re above
2 - closed
3b - more wking
4 - HHS try - Monday DPC lawyers
5 - Burden on VS - [illegible] Fri
6b - DPC check
6c - Both think - by Mon
8 - OMB+HHS to that more [illegible]

Issues

1. **Penalty; Diversion to Separate State Programs** - To discourage states from diverting families from TANF to state programs in order to avoid work penalties or avoid sharing child support collections with the federal government, add these provisions to the proposed regulation:

CCP: Not to comply but to ensure compliance - probation - not any bifurcation, later?

a) In order to enter into corrective compliance plan for any violation or to receive a reduction in penalties after failing to correct a violation, a state must prove that it did not divert families to a separate state program for the purpose of avoiding work participation rates.

alr reas cause - degr non comp

N6

Secy cares - no legal link

Threshold for diversion

b) In order for a state to be eligible to receive a reasonable cause penalty exception, to enter into a corrective compliance plan, or to receive reduced penalties or a penalty based on degree of non-compliance, a state must prove that it did not divert families to a separate state program for purposes of preventing the federal collection of child support.

HHS

No

c) Include in the MOE data report information on whether individuals served in the separate state program were on TANF within the last six months and other information to help the Secretary determine if diversion has occurred.

Anil: in case more - what?

yes Yes

Add high perf bonus

2. **Penalty; Threshold Level** - States that achieve at least 90 percent (rather than 75 percent) of the required work participation rate shall be eligible for a reduced penalty based on degree of non-compliance.

wkg well

CAN SOLVE DON'T COME BACK

EK: We're happy to talk too

relfd to choice of 2 rates: Olivia
wkg on this: HHS

3. **Penalty; Corrective Compliance Plan** -

RESOLVED

a) Reduce the amount of time that States have to complete corrective actions from 12 to 6 months.

yes

not doable; cld stick in NPRM & see what happens
EK: flex

b) Eliminate the option for the Secretary to reduce the penalty on a state that has failed to correct a violation through a corrective compliance plan if a state expended more resources, made substantial progress, or encountered circumstances that could not have been anticipated.

HHS

DPC

ANOTHER SLIDING SCALE
Miss 35% 74%
Olivia - can't participate
Sally - predatb lang re slid scale?
SCOPE OUT SLID SCALE by 1/4 penalties
We take 1st shot

links to #1 and #2

weakest link

some or all

EK: 4 is mean regless of first - latter more important

4. **Child Only Cases** -

a) The Secretary will analyze data on a state's child-only cases to determine if the state has reclassified cases as child-only in order to avoid penalty for failure to meet the fiscal year work participation rate or for exceeding the 20% hardship exemption for the five year time limit. If the Secretary finds that the state has reclassified cases for this purpose, she will include the reclassified cases in the calculation of the state's work participation rate and hardship exemption.

LEGAL CONCERNS - ROB
CAN'T RECLASSIFY
Preamble? - Vs
Olivia will think

preamble

Cynthia re: sanction note?

b) The regulation will identify which data elements will allow the Secretary to make this determination.

Olivia raises grandparents: what are we up to?

EK: agrees, but no gaming

Ch only: No wk regs or t-l's:
- cases in cal: so legit growth reduces credit; reclassific doesn't affect credit
- in denom of 20%; gives you bigger 20%
Anil: in denom of partic rates? No - where?

HHS agreement to require no diversion
to state-only for 1) reasonable cause
2) degree non-compliance

applies only to work penalty, right?

Not all penalties

5. **Domestic Violence** - The Secretary shall not grant reasonable cause exceptions to penalties to states that exempt more than 20 percent of their caseload from the five year time limit due to the granting of good cause domestic violence waivers. - Ds cares - We want some limit

6. **Caseload Reduction Factor** - EK: willing to talk

? DONE a) Remove the provision that would provide states with a choice of applying the two parent caseload reduction or the overall caseload reduction as a credit to the two parent work participation rate. XBR

Someflex

define better - >80% MOE; wkg fams bene.

Dissing DPC DPC to THINK b) Remove the provision that would allow states to exclude "based on nature of benefits provided" some or all families in the separate State ~~program~~ when comparing a given year's caseload to that from FY 1995. XBR

DF Olivia - subtract not TANF-like - fc immigs child care

EK some flex Pres wants 100% MOE

No c) Fingerprinting, drug testing, and whole grant sanctions shall not be considered eligibility changes that must be disregarded for purposes of calculating the caseload reduction factor. This will be accomplished by listing eligibility changes in the regulation without listing these items and making clear on the Caseload Reduction Report form that these policies are not eligibility changes. DF

AFDC - was State plan condition of eligib. DF: MORE ON THIS

ROB - "ELIGIBILITY CRITERIA"

Prior credit - $ saved - ~~wk partic credit~~ ??

Lower Base to apply Partic rates to

BR + P's + WORK

7. **Waivers** - Legally -

EK sez vetted legally

No * a) A state that continues a waiver inconsistent with PRWORA's time limits ~~or work~~ requirements shall not be eligible for a high performance bonus or a caseload reduction credit. yes maybe - CRC is discretionary; why data for s-o

BR

Why link s-o? Reas cause - degr NonC

* b) A state that continues a waiver inconsistent with PRWORA's time limits or work requirements shall not be eligible to receive (1) ~~a~~ reasonable cause penalty exception, (2) to enter into a corrective compliance plan, or to (3) receive reduced penalties or (4) ~~a~~ penalty based on degree of non-compliance. Legal -

Hi-perf CRC 4 pen mitig

1 - RC 2 - CCP 3 - S/A 4 - DNC

Diff view from BR??

job search not waived

* c) Prior law definitions of work activities may not be continued under waivers. ~~voc~~ ed

Lots done a lot

Howard - drug treatment + job search

CR

d) Waivers that are inconsistent can only be continued in the same geographic areas as they were originally approved in the waiver and were in effect ~~on date of enactment~~.

legal EK asks; long list

* e) In order to continue a waiver inconsistent with PRWORA's time limits or work requirements, the state must notify the Secretary in writing in a letter signed by the governor. OK

No 8. **Administrative Costs** - Include case management and eligibility determination in the definition of administrative costs.

~~Wed @ 5pm~~

~~Post~~ - morton
~~4pm prep~~
- Holly

Left:
- Memo enforce s-o
- Weakest link / fla - penalties
- DV same limit
- ~~Waivers onslaught~~

* Check guidance on s-o?

CR - Win, 100% MOE
- 2 ways diff from fingerprinting - what is 2nd?
- denom
- others on list
Get lawyers tog

Weiner → penalties can be linked to waivers
* Stenholm letter

Cut & 7 1a Weiner

Laura - Stenholm
- ~~Nessh~~ ld - HHS to do?
- someon all vs. degree Q
- HHS re claim only, dom vid.
~~Anil~~ - 1b too strong; next STEPS; see note
Laura - 6b - whose court? we cld propose to define lottery in conf call
6c - 2 gd things states get fingerprints
- ball in HHS ct
- drug treatment = ok? (in old mgr/law) + college
- 4 categories of wk - waiver lists
- What was JOBS hrs of wk req, + what did waivers do?

Jose -
→ Leanne - What are we getting into? leg history -
to CR