

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
5707 HOUSE HEALTH, EDUCATION & SOCIAL SERVICES

to make them available for up to a full year as well.

Participants must share in the cost of child care on a sliding scale tied to income and may also be required to participate in the cost of their medical benefits, after the first six months.

Alaska Impact

The first full year in which these provisions are effective is state fiscal year 91. The preliminary estimate is that 550 children will qualify for transition child care in that year, at a total cost of \$1,466,000 (\$733,000 state funds) some or all of the required state funds could come from already appropriated state day care assistance funding, since most of the participants would be eligible for that program. The combined total estimate of new Medicaid costs for "Unemployed Parent" households and work transition is \$7 million (\$3.5 million state fund.)

D. Child Support Enforcement

The Act addresses a number of needs in child support enforcement, but the three main features are:

1. a mandate that each state establish guidelines which are a rebuttable presumption for judges who set support orders, with periodic review of the guidelines and regular review of the orders themselves;
2. mandatory wage withholding by employers for nearly all support orders; and
3. new requirements that the identities of both parents be established at the time a birth is recorded, and 90/10 match for the costs of establishing paternity.

Alaska Impact

No estimates from the Department of Revenue at this time.

KEY IMPLEMENTATION DATES

The Act specifies that states may begin to use some of its new, more liberal standards for running their JOBS programs as early as July 1, 1989. The earliest required implementation date is July 1, 1989, when the state welfare agency becomes responsible for ensuring that cash benefits, child support, and JOBS services are furnished in an "integrated" manner. The other implementation dates that have been spotted thus far are as follows:

<u>Date</u>	<u>State Year</u>	
Oct 1, 1989	FY 90	New work incentives effective
Apr 1, 1990	FY 90	Transition Med. and Child Care
Oct 1, 1990	FY 91	Two-parent coverage effective
Oct 1, 1990	FY 91	JOBS program in place
Oct 1, 1992	FY 93	JOBS program extended statewide

NEW COSTS ASSOCIATED WITH WELFARE REFORM

It is too early to state the actual amount of the costs that will result from the Family Support Act, but the key areas in which state general fund costs will increase are:

- * AFDC Assistance Payments - to cover the costs of two-parent family coverage and the impact of the more liberal earned income disregards; (Est. \$3.8 million in SFY91 and \$5 million in SFY92)
- * Medicaid - to cover the enlarged AFDC caseload and to provide work transition medical services (Est. \$2.9 million in SFY 91 and \$3.5 million in SFY 92)
- * JOBS - to pay the state's share of the expanded employment and training effort that the law requires; (Est. \$700,000 in SFY 91 and 92)
- * Day Care Assistance - to pick up the child care costs associated with JOBS and work transition; (new costs dependent upon relationship to state day care assistance program)
- * Child Support Enforcement - to pay the state share of increased paternity establishments, more support order establishment activity, and more frequent modification of support orders; (no estimate available from Department of Revenue)

- * Public Assistance Eligibility Determination - to pay the state's share of the administrative costs associated with the increased caseload that will result when Unemployed Parent coverage and the new work transition cases (Medicaid and Child Care) are added. There may also be a short-term increase in the number of regular AFDC cases, related to the impacts of the improved work incentives (income disregards) and the availability of longer term training opportunities. This should diminish as the dependency-reducing impacts of JOBS are felt in the caseload. (Impacts will begin in SFY 91 and have not yet been estimated)
- * Implementation - to pay the state share of the administrative costs of bringing up the mandated changes in the AFDC program and creating the JOBS program. (estimated to be \$112,000 in SFY 89 and \$390,000 in SFY 90)

Some of these increased costs may be partially offset by new revenues associated with increased child support collections, and federal participation in child care costs.

IMPLEMENTATION PLAN

Implementation of the Act will require the input and cooperation of several departments in state government, interested job training organizations, Alaska Native groups, child care experts, client advocate groups such as Alaska Legal Services, the Legislature and, of course, clients themselves. The department feels the program will be best designed and implemented if those with a stake in the outcome are actively involved in the planning process.

The task is very large, but luckily FY 90 can largely be viewed as a year of program design and planning as many of the major provisions do not take effect until FY 91. This gives the department this one legislative session and the next to accomplish law changes and to seek funding increases for the major provisions.

Some provisions take effect in FY 90, and the department will prioritize examination of these issues first.

I. Program Coordination

Within state government, five departments have key roles in welfare reform, as follows:

A. Department of Health & Social Services

1. Division of Public Assistance (DPA) -

DPA is the "state IV-A agency." It is responsible for administering the AFDC program (Title IV-A of the Social Security Act) and, by federal law, is responsible for assuring the "integrated delivery of services under Title IV-A, Title IV-D (Child Support Enforcement), and Title IV-F (JOBS)." Under present law, DPA co-administers the WIN program with the Employment Security Division of the Department of Labor (ESD), and, with ESD as its principle partner, administers the AFDC Employment Search Program and the Food Stamps Employment and Training program.

2. Division of Medical Assistance (DMA) -

DMA controls the state health care financing programs, determines policy for the state Medicaid and General Relief Medical programs and manages the provider reimbursement process.

3. Division of Family and Youth Services (DFYS) -

DFYS licensing staff set the standards for licensing of child care facilities and perform licensing reviews. Licensing is a condition of participation in the state Day Care Assistance program.

B. Department of Labor

1. Employment Security Division (ESD) -

ESD co-administers the WIN program with DPA under existing law and performs similar functions as a subcontractor to DPA for the AFDC Employment Search Program and the Food Stamps Employment and Training Program. ESD also provides DPA client wage and earnings and unemployment insurance information which is essential for accurate AFDC eligibility decisions and provides similar

information on obligor parents to the Department

of Revenue's Child Support Enforcement Division (CSED).

C. Department of Revenue

1. Child Support Enforcement Division (CSED) -

CSED is the state IV-D agency. As part of its overall mission of enforcing child support obligations on parents, it represents the state in enforcement procedures relating to children who receive AFDC. CSED locates absent parents, establishes paternity, establishes support orders, either administratively or judicially, and enforces support orders on obligors who live in Alaska.

D. Department of Community and Regional Affairs

1. Rural Development Division (RDD) -

RDD administers the state Day Care Assistance program (DCA). One of the key decisions which Alaska must make is whether to manage the provision of child care which is mandated by the new federal law during both JOBS participation and work transition through the state DCAP. Federal matching funds for both program dollars and administration are available at 50/50 on an open-ended, entitlement basis.

RDD also administers the state's largest employment and training program, the 100% federally-funded Job Training Partnership Act program (JTPA). JTPA is mandated to serve certain minimum percentages of welfare clients and has discretion to increase that percentage to any level set by the state. State JTPA policy is set by the statewide Job Training Coordinating Committee, which must also review the state JOBS plan before it is submitted for federal approval. Local JTPA policy is set by three Private Industry Councils (PIC's), located in Anchorage, Fairbanks, and Juneau. JTPA is administered locally by Service Delivery Area (SDA) staff and subcontractors.

E. Department of Education

1. Adult and Vocational Education (OAVE) -

Through its Adult Basic Education and Vocational Education program authorities and funding, OAVE provides much of the educational opportunity on which JOBS participants will rely. OAVE has targeted the Carl Perkins Act set-aside funds for welfare participants under one Kenai-area contract. OAVE must be consulted as part of the JOBS state plan process.

2. Commission on Post Secondary Education -

Alaska has the option of permitting JOBS participants to enroll in full-time post-secondary education program to meet their education or training needs. The cost of such enrollment (tuition, books, fees, supplies, etc.) is not federally matchable, but related child care and transportation costs are. Most importantly, the student can remain eligible for AFDC cash assistance and Medicaid while going to school. Coordination between the Commission, the student, JOBS, and DPA is necessary to ensure that students do not inadvertently disqualify themselves from cash assistance and Medicaid through loan amounts that meet their living needs as well as their educational needs.

Outside of state government, Alaska Native organizations have an opportunity to claim a part of Alaska's federal JOBS allocation to set up their own programs. This option must be exercised by April 13, 1989. Local governments that administer the JTPA and Day Care Assistance programs, as well as other human services programs will also be important participants. Options to contract out for services can involve these and other entities in many different capacities. Their interests, desires, and concerns will be actively solicited, considered, and incorporated, as feasible.

Department of Health and Social Services

FAMILY SUPPORT ACT of 1988
(P.L. 100-485)

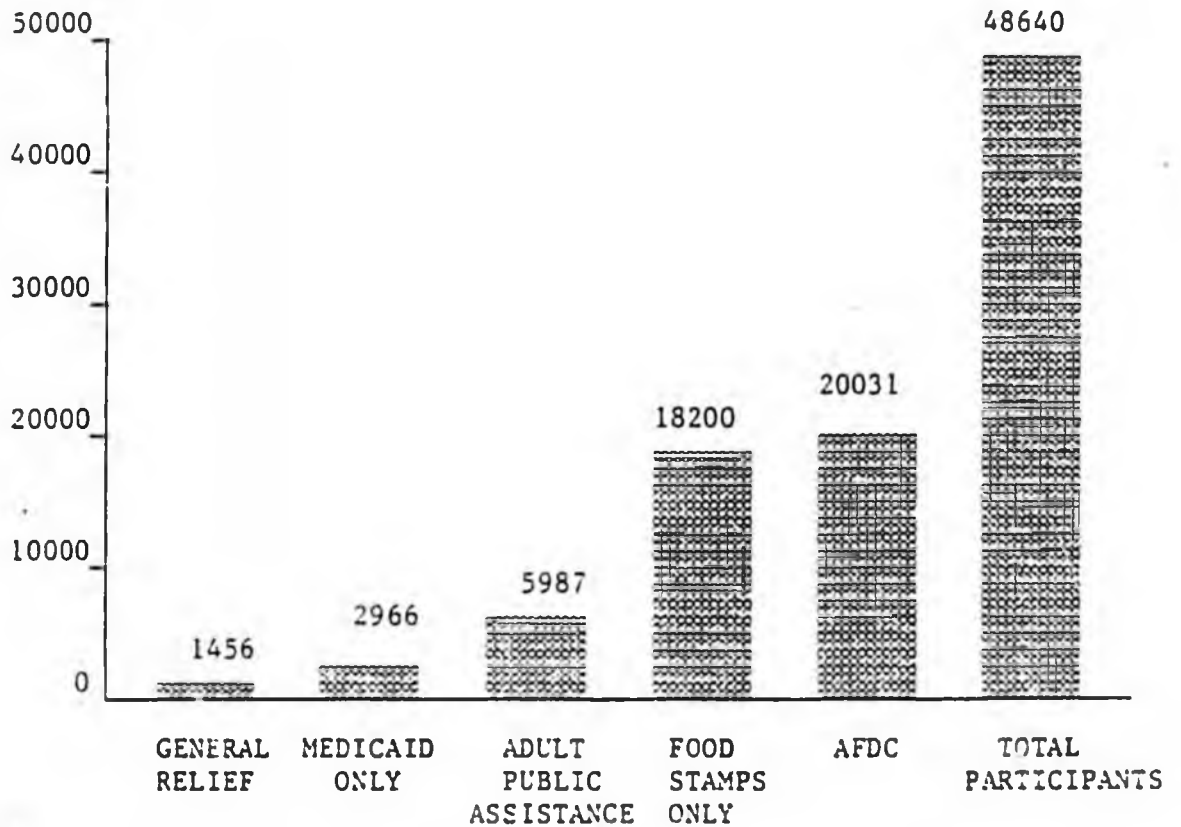
THE FUNDAMENTAL CONCEPTS OF THE WELFARE REFORM LAW

1. Children's basic needs must be protected
2. The family has the primary responsibility
3. The system should strengthen the family
4. An emphasis on education and training is essential

ALASKA WELFARE PARTICIPATION

IN MONTH APRIL 1988

PERSONS



THE AUGUST 1988 ALASKA DEPARTMENT OF LABOR "ALASKA ECONOMIC TRENDS" REPORTED ON POVERTY IN ALASKA. IT ESTIMATED THAT BETWEEN 10-14% OF THE ESTIMATED TOTAL POPULATION IN ALASKA LIVES BELOW THE POVERTY INCOME LEVEL. ASSUMING A CURRENT POPULATION OF 540,000 THERE WOULD BE ABOUT 57,800 PERSONS IN POVERTY IN ALASKA.

Each month approximately 12,900 children receive benefits under the current AFDC program in Alaska.

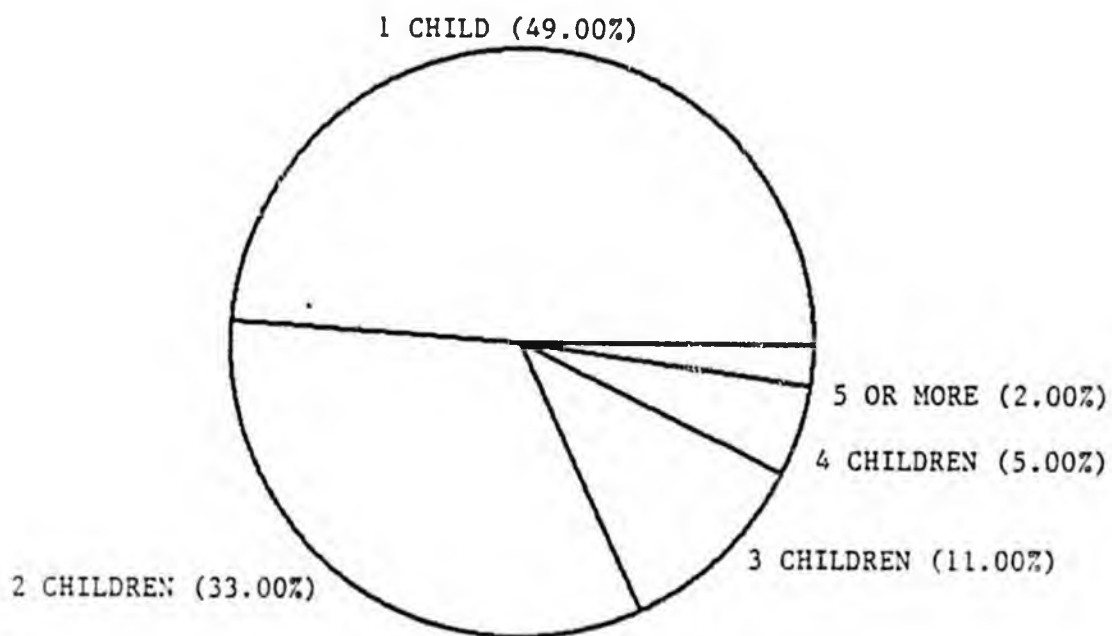
<u>District Area</u>	<u>Average Number of Children Served Monthly</u>	<u>Percent of Total</u>
Anchorage	5,097	39%
Fairbanks	1,541	12%
Bethel	1,136	9%
Wasilla	1,134	9%
Kenai	882	7%
Ketchikan	580	4%
Northern Rural	569	4%
Southcentral Rural	523	4%
Juneau	518	4%
Kotzebue	365	3%
Nome	338	3%
Sitka	<u>210</u>	2%
TOTAL Children	12,893	

In all of FY88 30,123 adults and children (unduplicated) received benefits under the current AFDC-Basic program in Alaska.

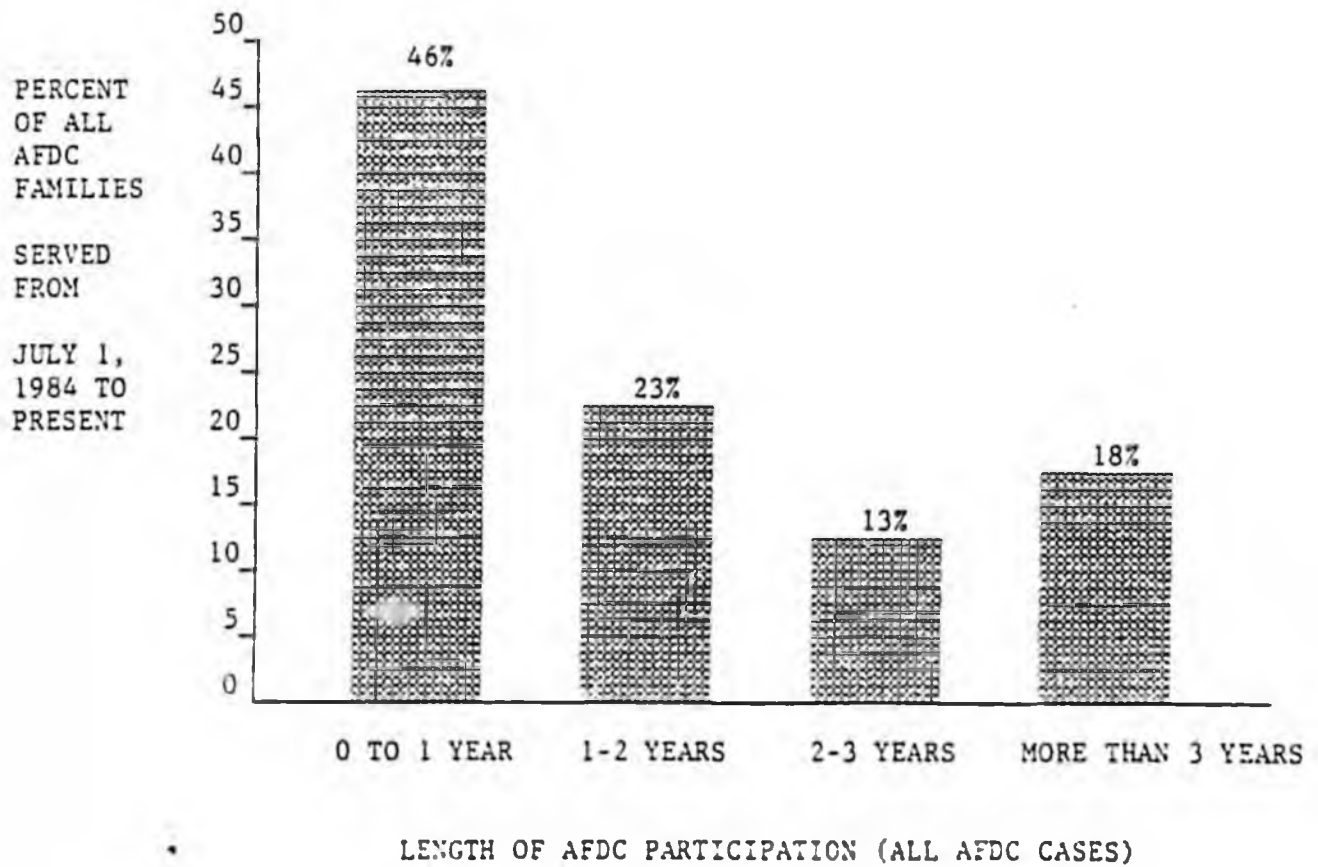
<u>District Area</u>	<u>FY88 Total AFDC Participants</u>	<u>Percent of Total</u>
Anchorage	11,875	39%
Fairbanks	3,575	12%
Wasilla	2,636	9%
Bethel	2,473	8%
Kenai	2,199	7%
Juneau	1,388	5%
Northern Rural	1,320	4%
Ketchikan	1,286	4%
Southcentral Rural	1,269	4%
Kotzebue	778	3%
Nome	769	3%
Sitka	<u>555</u>	2%
TOTAL Persons	30,123	

49% OF ALL AFDC FAMILIES HAVE ONLY ONE CHILD. ONLY 7% OF THE AFDC FAMILIES IN ALASKA HAVE MORE THAN THREE CHILDREN. THE AVERAGE NUMBER OF CHILDREN PER FAMILY IS 1.6.

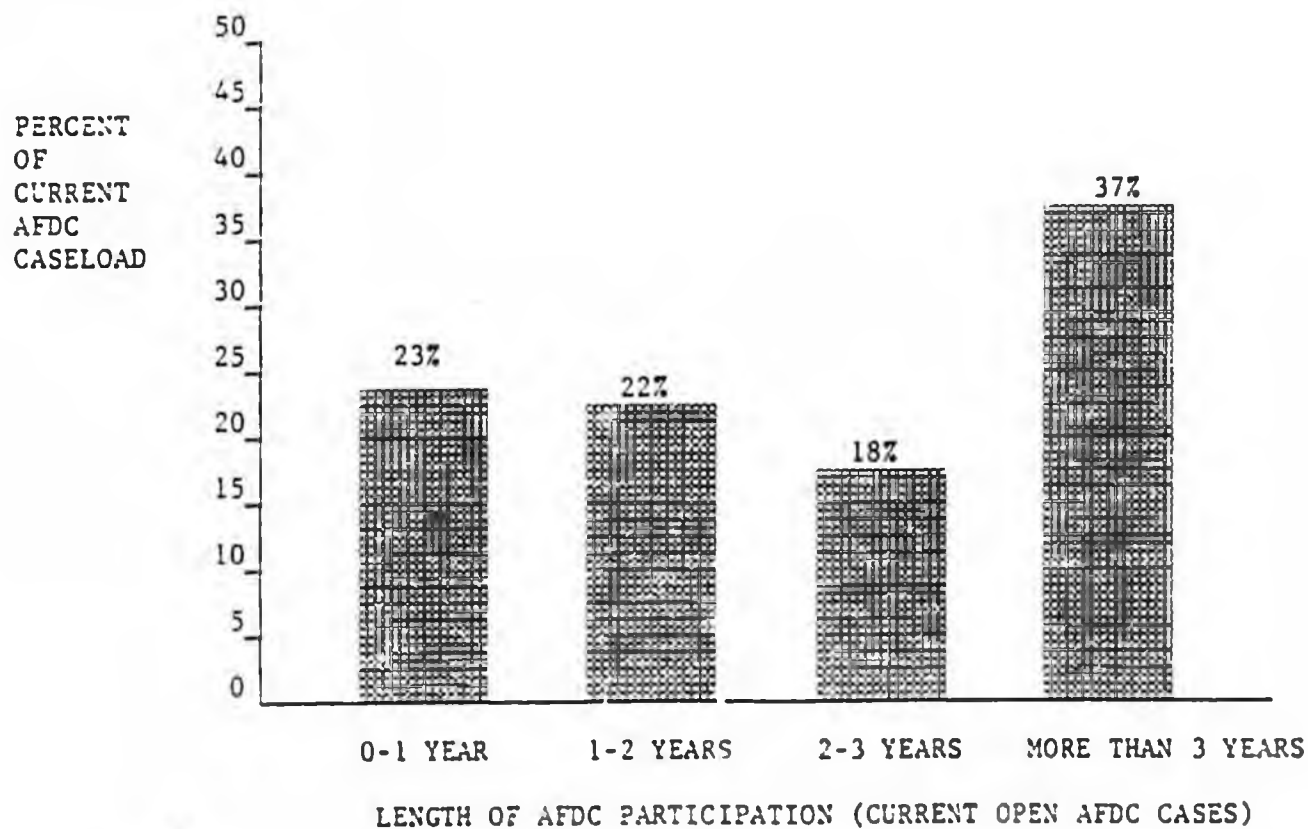
AVERAGE NUMBER OF CHILDREN
IN AFDC FAMILIES IN ALASKA



THE AVERAGE LENGTH OF PARTICIPATION FOR MOST AFDC FAMILIES IS LESS THAN ONE YEAR. OF THE TOTAL NUMBER OF AFDC FAMILIES SERVED SINCE JULY 1984, ONLY 18% HAVE PARTICIPATED FOR MORE THAN 36 MONTHS.

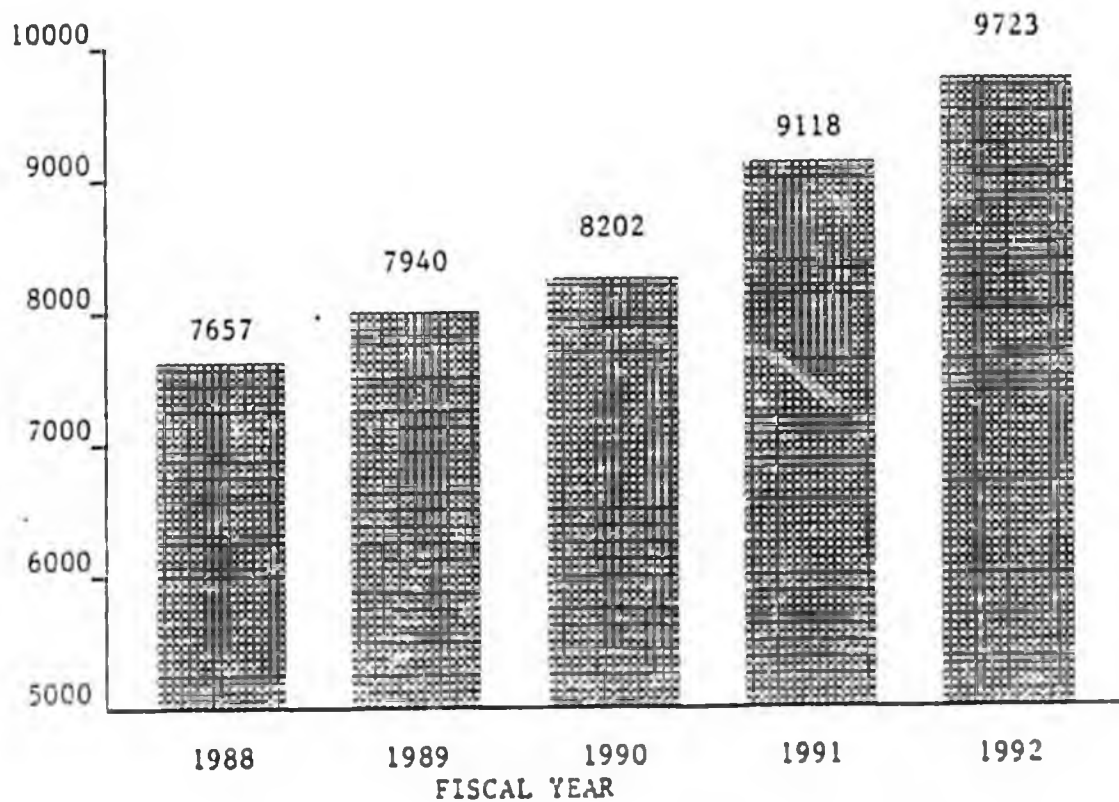


IN ALASKA, 37% OF THE CURRENT AND OPEN AFDC CASELOAD HAVE BEEN ON WELFARE FOR MORE THAN 3 YEARS. NATIONALLY, 44% OF THE CURRENT CASELOAD HAVE RECEIVED 3 OR MORE YEARS OF AFDC ENTITLEMENT.



AFDC BASIC AND TWO PARENT PROGRAM

AFDC AVERAGE MONTHLY CASELOAD BY FISCAL YEAR PROJECTS A 2-3% CASELOAD GROWTH IN THE AFDC BASIC PROGRAM AND ADDS THE AFDC TWO-PARENT CASELOAD BEGINNING OCTOBER 1990.



- EFFECTIVE OCTOBER 1990 (FY91) STATES WERE REQUIRED TO IMPLEMENT AN AFDC TWO-PARENT PROGRAM
- THIS TWO-PARENT PROGRAM WILL ADD APPROXIMATELY 1148 AFDC FAMILIES TO THE CURRENT AFDC BASIC PROGRAM CASELOAD
- ESTIMATED ANNUAL ENTITLEMENT BUDGET NEED FOR AFDC TWO-PARENT. IF BENEFITS ARE LIMITED TO 6 MONTHS PARTICIPATION IN A 12 MONTH PERIOD FOR OTHERWISE ELIGIBLE TWO PARENT FAMILIES THEN APPROXIMATE COST IS \$5-6 MILLION.
- IF MONTHS OF PARTICIPATION ARE NOT LIMITED THEN THE ANNUAL COST FOR THE PROJECTED AFDC TWO-PARENT FAMILIES IS \$10-11 MILLION

BENEFITS FOR TWO-PARENT FAMILIES

Existing Law

At state option, benefits provided to two-parent families where principal earner is unemployed.

Alaska provides benefits to two-parent families only if one parent is disabled.

Welfare Reform

Benefits to two-parent families with unemployed parent mandatory.

Alaska will provide benefits to about 1100 additional two-parent families under new mandatory provision.

Two-Parent Coverage:

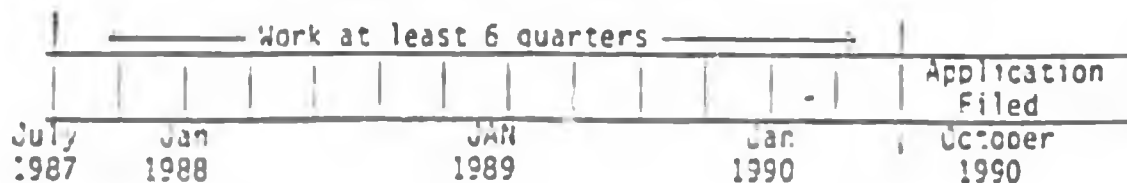
- * encourages families to remain intact
- * assures that children in poverty receive benefits whether or not both parents live with them
- * provides support to families when Unemployment Benefits insufficient to meet need, or exhausted.

Optional Payment Limitation:

- * State can choose to limit cash payments to unemployed-parent households to six months per year
- * If cash payments limited, child care, medical, and JOBS benefits must continue

ELIGIBILITY CRITERIA:

- * Unemployment is defined as working less than 100 hours per month.
- * Recent employment history is required. This may be met by:
 - working during 6 of 13 quarters during a period ending within 1 year prior to application. (School or training may substitute for up to 4 quarters)



- eligibility for Unemployment Insurance within 1 year prior to application also satisfies this requirement

AFDC - EARNINGS DISREGARDS

Existing Law

In calculating monthly countable income, disregards, applied in order are:

Basic Work Expense: \$75
 Child Care Expense, up to: \$160 per child
 \$30 Incentive (up to 12 months): \$30
 33% Work Incentive (up to 4 months): 1/3 of remainder

Welfare Reform

Order and amount of disregards changes.

In calculating monthly countable income, disregards, applied in order, are:

Basic Work Expense: \$90
 \$30 Incentive (up to 12 months): \$30
 33% Work Incentive (up to 4 months): 1/3 of remainder
 Child Care Expense, up to: \$175 per child
 (up to \$200 for child under age 2)

Net effect of changes is an increase in amount of income available to families with a working adult.

Sample Benefit Calculation: Working mother with 2 children, ages 4 and 8. Works 40 hours per week at minimum wage, first 4 months of work. Pays \$250 monthly child care for the younger child. (using 1989 AFDC payment levels).

Existing Law

\$660 Gross Wages
 - 75 Earnings Disregard
 -160 Child Care Expense
 - 30 Incentive
-131 33% Work Incentive

\$204 Countable Income

AFDC Payment Standard \$810
 Less Countable Income -264

AFDC Benefit \$546

Nonreimbursable child care expense: \$90

TOTAL Income from wages and AFDC: \$1,206

Welfare Reform

\$660 Gross Wages
 - 90 Earnings Disregard
 - 30 Incentive
 -180 33% Work Incentive
-175 Child Care Expense

\$185 Countable Income

AFDC Payment Standard \$810
 Less Countable Income -185

AFDC Benefit \$625

Nonreimbursable child care expense: \$50

TOTAL Income from wages and AFDC: \$1,285

AFDC EARNED INCOME CASE STUDIES

Based on 1 adult, 2 children. Child care paid for 1 child at rate equal to maximum disregard. Receiving \$30 and 1/3 disregards. 1988 AFDC payment levels.

	Monthly AFDC Payment	
	Current Law	Welfare Reform
EXAMPLE 1: Part-time Employment	\$810	\$810
Working 15 hours/week at \$3.85/hour Gross monthly earnings = \$250		
EXAMPLE 2: Part-time Employment	\$710	\$788
Working 25 hours/week at \$3.85/hour Gross monthly Earnings = \$415		
EXAMPLE 3: Full-time Employment	\$546	\$691
Working 40 hours/week at \$3.85/hour Gross Monthly Earnings = \$660		
EXAMPLE 4: Full-time Employment	\$13	\$91
Working 40 hours/week at \$8.50/hour Gross Monthly Earnings = \$1460		
EXAMPLE 5: Part-time Employment	\$603	\$613
(Same as #2, except no out-of-pocket child care cost)		
Working 25 hours/week at \$3.85/hour Gross monthly Earnings = \$415		

OTHER AFDC PROGRAM PROVISIONS

Need/Payment Standard Reevaluation:

- * State must evaluate every three years

Quality Control Sanctions:

- * moratorium on collections of fiscal sanctions for excess payment error rates extended 1 year, to July 1, 1989

Earned Income Tax Credits:

- * Tax credit payments no longer treated as income for AFDC eligibility and payment determinations

Preeligibility Fraud Detection:

- * State required to develop/implement preeligibility fraud detection unit by October 1, 1989.

Payment After Performance:

OPTIONAL: State may defer payment to unemployed parent households until after mandatory JOBS activity completed for the month.

Minor Parent:

OPTIONAL: State May require parent under 18 to live with parent or legal guardian

- * Payment issued to minor's parent or guardian
- * Exceptions if suitable home unavailable, or has lived apart for one year
- * Adult parents financially responsible

ALASKA WORK PROGRAMS

The following is based upon actual Work Incentive Program (WIN) and Employment Search Program (ESP) participant population during September 1988 and performance for the period from October 1, 1987 through September 30, 1988.

The typical WIN/ESP participant is:

Female	90%
White	60%
22 to 44 years old	85%
High school graduate or higher education	78%

2187 AFDC recipients entered WIN/ESP during fiscal year 1988.

568 (30%) of those individuals had been in WIN/ESP in the past.

675 WIN/ESP participants became employed.

171 (25%) of the jobs obtained came from referrals on Job Service job orders.

498 (75%) of the jobs were found by WIN/ESP participants.

470 (70%) of the jobs were full-time.

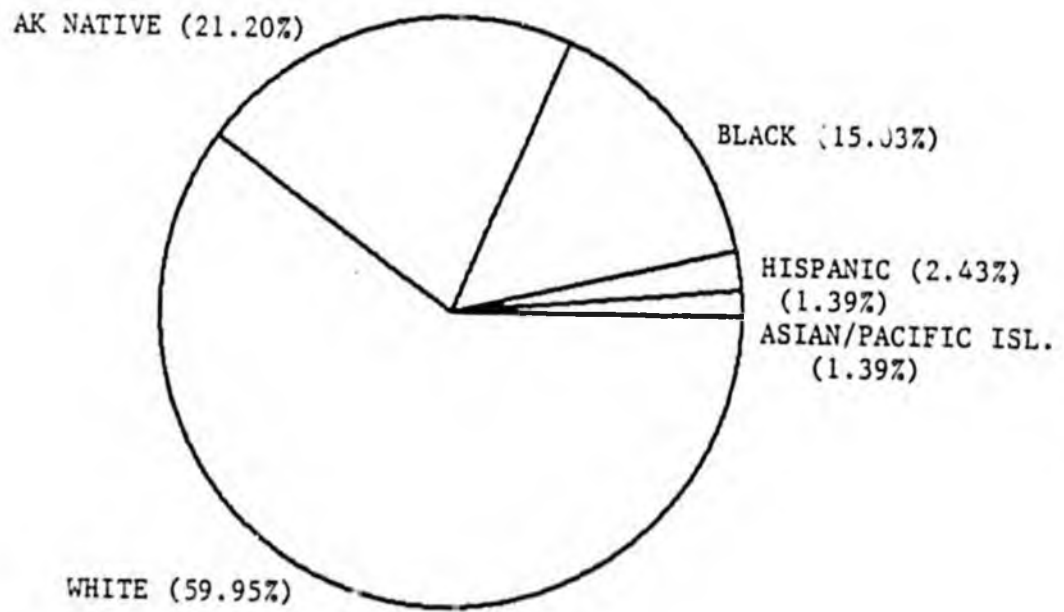
90.7% of the WIN/ESP participants were still employed after 30 days.

The average starting wage for these jobs was \$6.19.

AK WORK PROGRAM PARTICIPANTS

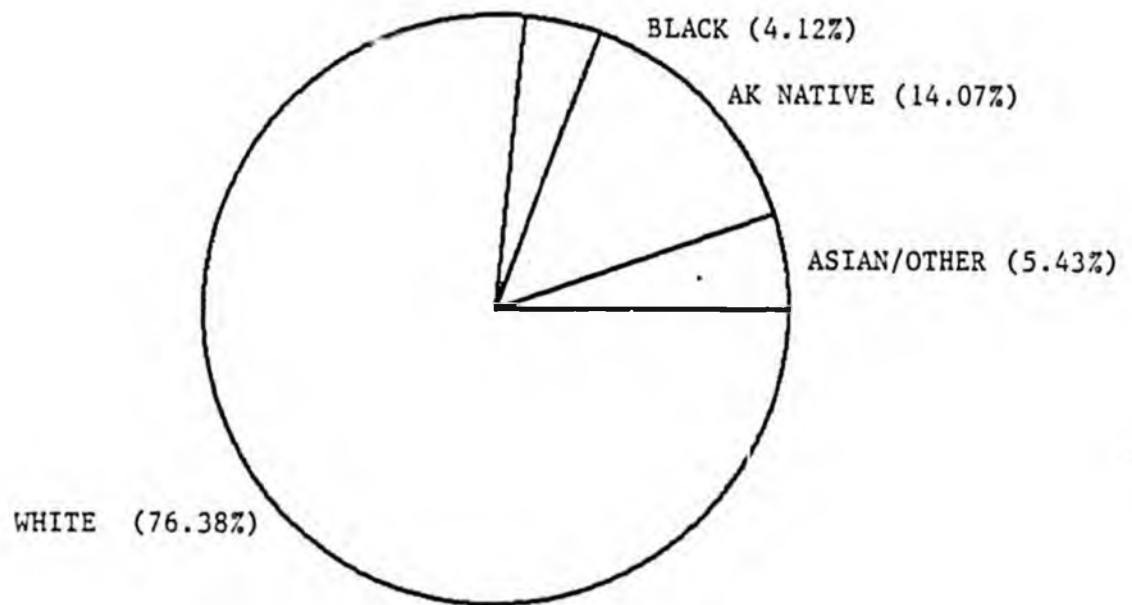
BY

ETHNICITY



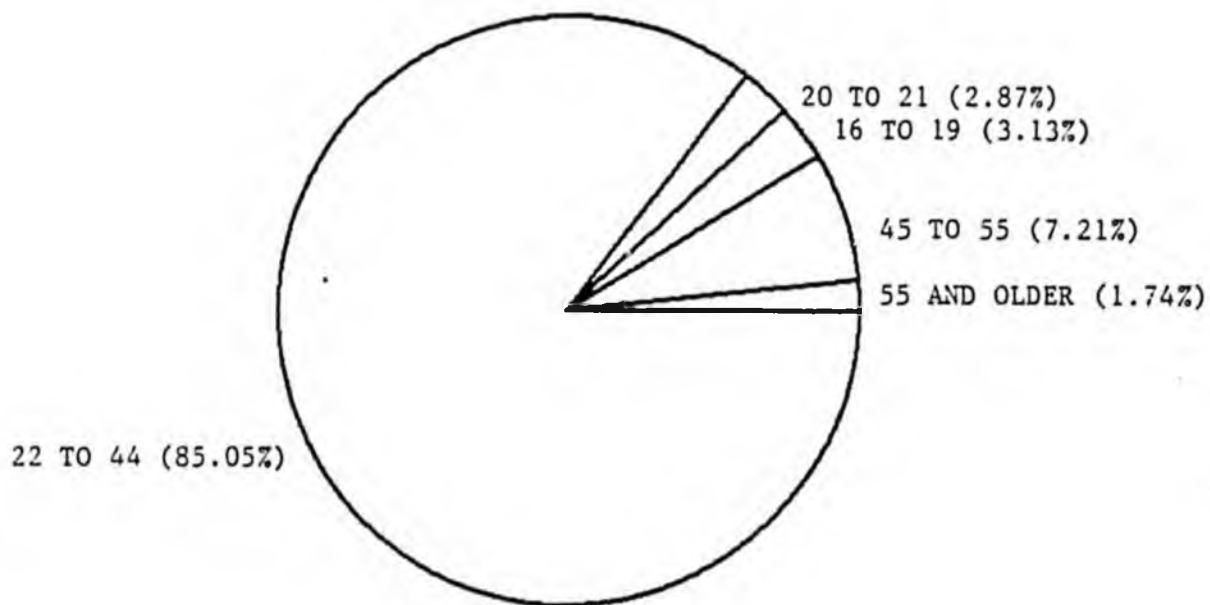
ALASKA 1984 CENSUS UPDATE

ETHNICITY



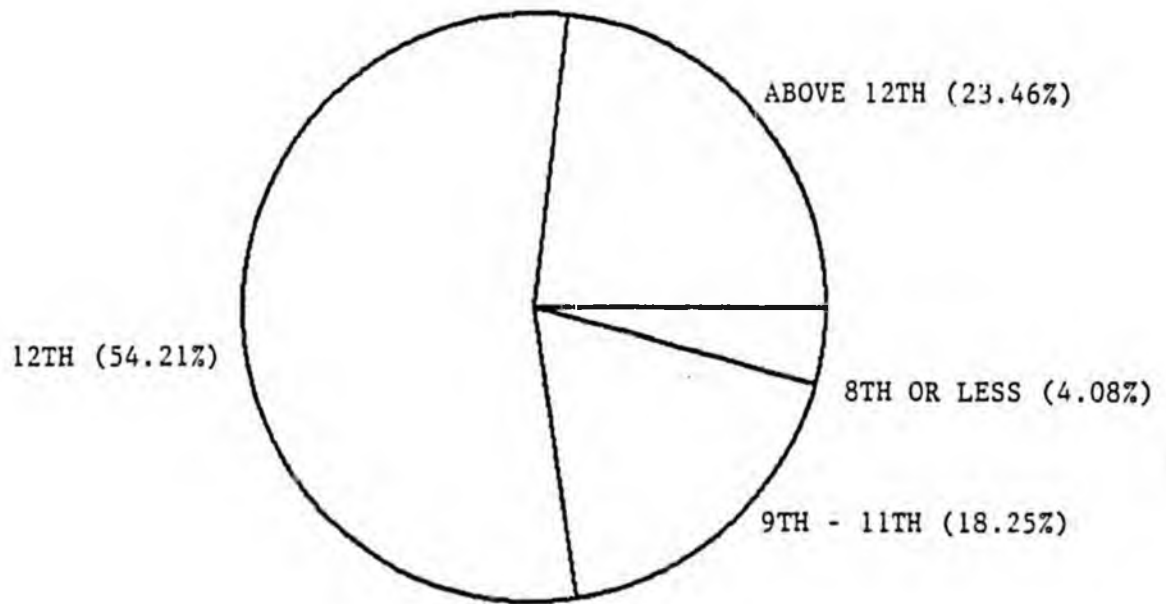
AFDC WORK PROGRAMS PARTICIPANTS

BY
AGE GROUPS



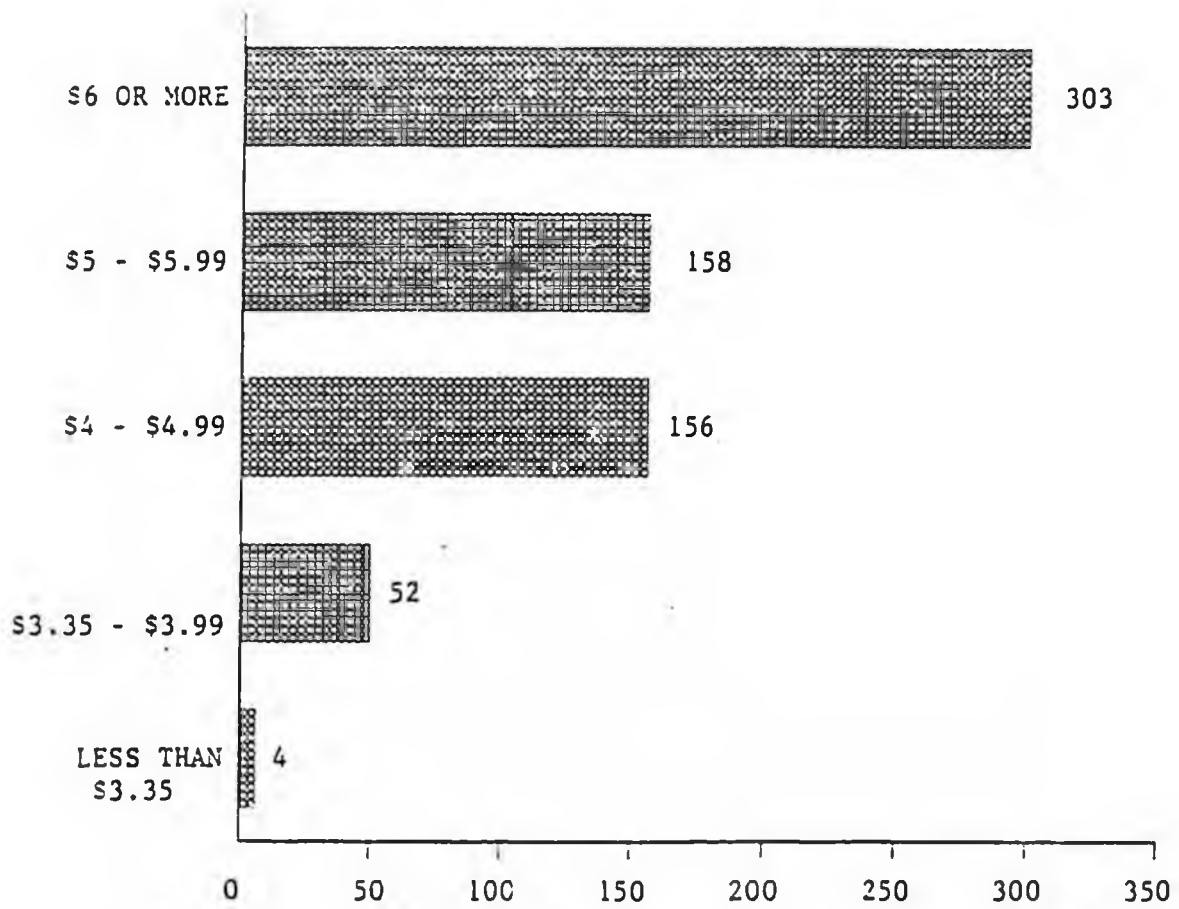
DATA FOR SEPTEMBER 1988 PROGRAMS POPULATION

AFDC WORK PROGRAMS PARTICIPANTS
EDUCATIONAL ATTAINMENT BY
HIGHEST GRADE COMPLETED



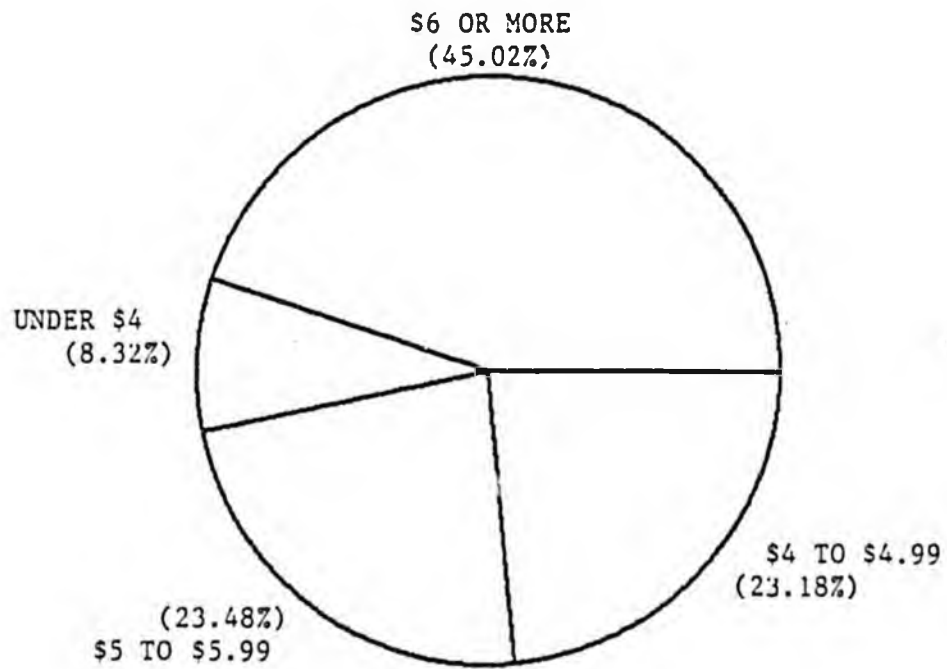
DATA FOR SEPTEMBER 1988 PROGRAMS POPULATION

STARTING WAGES
OF PARTICIPANTS IN
AFDC WORK PROGRAMS



DATA IS FOR FEDERAL FISCAL YEAR 1988

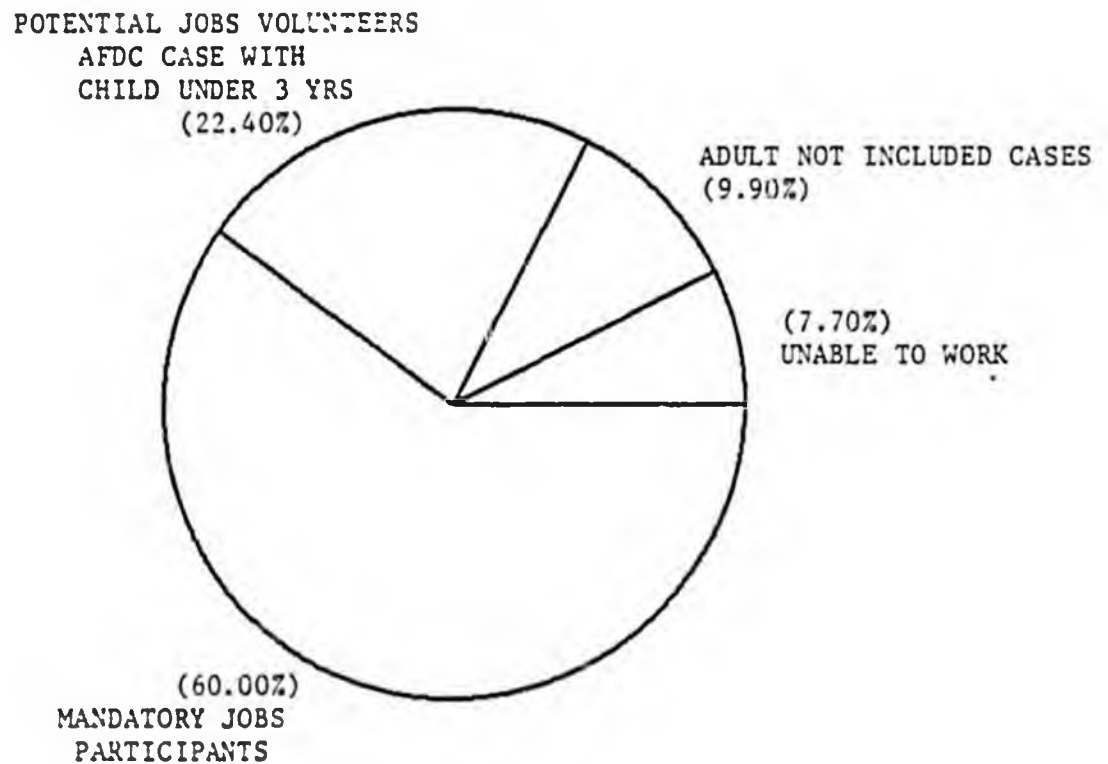
STARTING WAGES
FOR
AFDC WORK PROGRAM PARTICIPANTS



CHARACTERISTICS OF ALASKA FAMILIES RECEIVING AFDC

60% OF ALL AFDC PARENTS WILL BE MANDATORY PARTICIPANTS IN
JOB OPPORTUNITIES AND BASIC SKILLS (JOBS)

PERCENT OF POTENTIAL JOBS PARTICIPANTS
ANNUALLY (STATEWIDE)



NUMBER OF FAMILIES:

ESTIMATED AFDC BASIC PROGRAM - FAMILIES	10,145
ESTIMATED AFDC TWO-PARENT FAMILIES	<u>1,520</u>

TOTAL NUMBER OF AFDC FAMILIES IN A FISCAL YEAR	11,665
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EXEMPT STATUS:

LESS AFDC FAMILIES EXEMPT FOR UNABLE TO WORK	(900)
LESS ADULT NOT INCLUDED (NO ADULT IN AFDC CASE)	<u>(1,150)</u>

TOTAL POTENTIAL JOBS PARTICIPANTS	9,616
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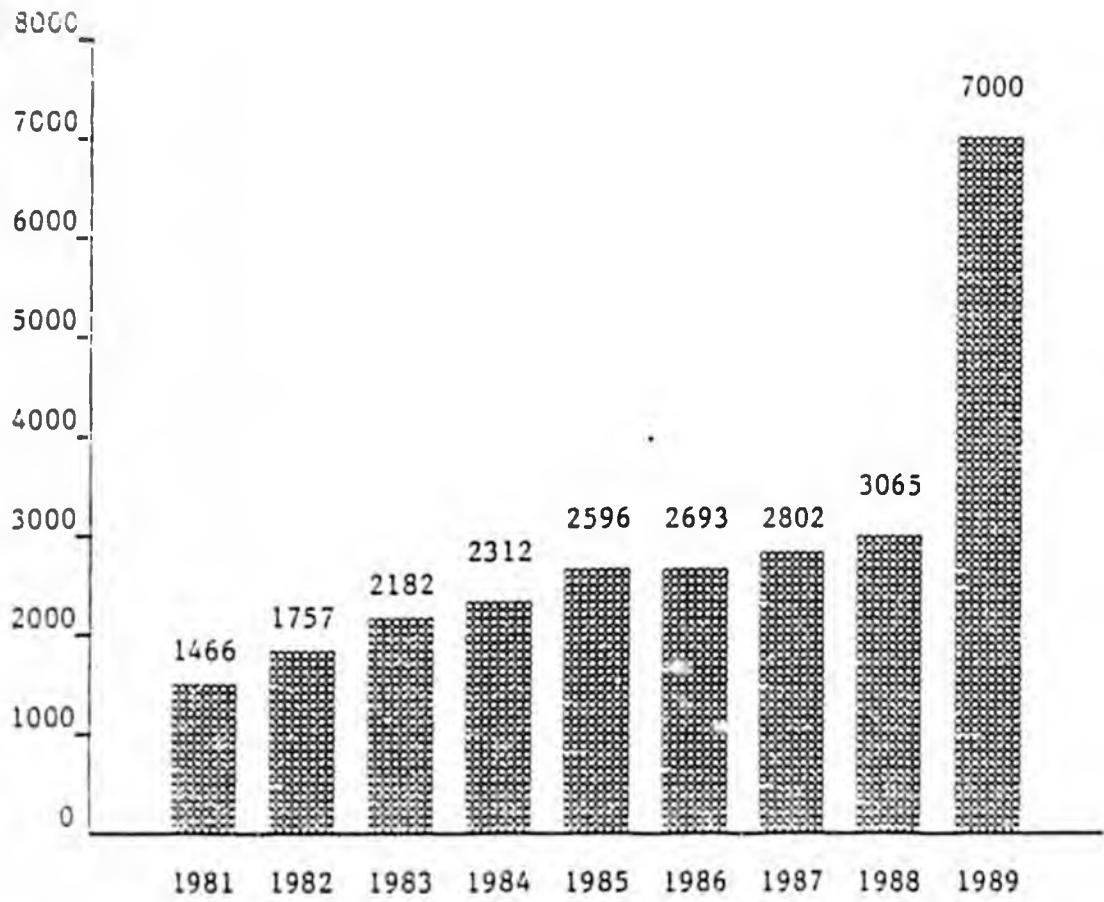
JOBS VOLUNTEER FAMILIES (WITH CHILD UNDER 3 YRS OLD)	2,615
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JOBS MANDATORY PARTICIPANT FAMILIES	7,000
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ALASKA WORK PROGRAMS

NUMBER OF PROGRAM PARTICIPANTS

PRESENT PROGRAMS VS. POTENTIAL FOR JOBS



CHANGES IN EXEMPT PERSONS

A Recipient is exempt:

- If personally providing care for child under 3, or at state option age 1
- If a child is under 6 (unless state guarantees child care) Participation is limited to 20 hours per week

If Pregnant in 2nd Trimester or later

In an AFDC-UP case state may require second parent to participate if child care is guaranteed

YOUNG PARENTS

Custodial Parents Under 20 Without a High School Diploma Must:

Participate in Educational Activities

- Full-time at state option
- State may exempt under 18

If 18 or 19, must work or attend training if:

- Good academic progress is not made or,
- Further education is inappropriate.

TARGETED JOBS POPULATION

1. Persons who have received AFDC for any 36 of the preceding 60 months, or
2. Custodial parents under age of 24 who:
 - a. have not completed high school and are not enrolled in high school at the time of application for AFDC, or
 - b. had little or no work experience in the previous year, or
3. Members of a family whose youngest child is within 2 years of being ineligible for AFDC.

55% OF JOBS FUNDS MUST BE SPENT FOR THESE TARGETED POPULATIONS

A COMPARISON OF WORK PROGRAM ACTIVITIES
BETWEEN
JOBS AND PRESENTLY AUTHORIZED WORK PROGRAMS

	<u>Activities Present Law Allows</u>	<u>Activities Alaska Presently Provides</u>	<u>Required JOBS Activities</u>	<u>Optional JOBS Activities</u>
Individual Assessment	X	X	X	
Individual Employability Plan	X	X	X	
Client/Agency Contract	X	X		X
Case Management	X			X
Information and Referral	X	X	X	
Help Locate Child Care	X	X	X	
Provide Child Care	X	X	X	
Transportation Reimbursement	X	X	X	
Incentive Allowance	X	X		
Basic Education	X		X	
Postsecondary Education	X			X
Job Skills Training	X		X	
Tuition	X			X
Job Readiness Activities	X	X	X	
Job Development & Placement	X	X	X	
Grant Diversion	X		#	X
Work Experience	X	X	#	X
Job Search	X	X	#	X
On the Job Training	X		#	X
Public Service Employment	X			
Conciliation Process	X	X	X	
Transitional Medical Assistance	X	X	X	

State is required to provide at least two of these four activities.

MAJOR DIFFERENCES BETWEEN JOBS AND PRESENT PROGRAM BENEFITS

ADVANCED TRAINING OR EDUCATION

JOBS permits long term vocational or postsecondary education. Present programs limit training to one year.

WORK PROGRAM ACTIVITIES

JOBS requires the operation of a larger number of work program activities. Present funding severely limits the number of program activities operated even though the present Work Programs allow operation of all the activities that are allowed or required by JOBS.

CHILD CARE

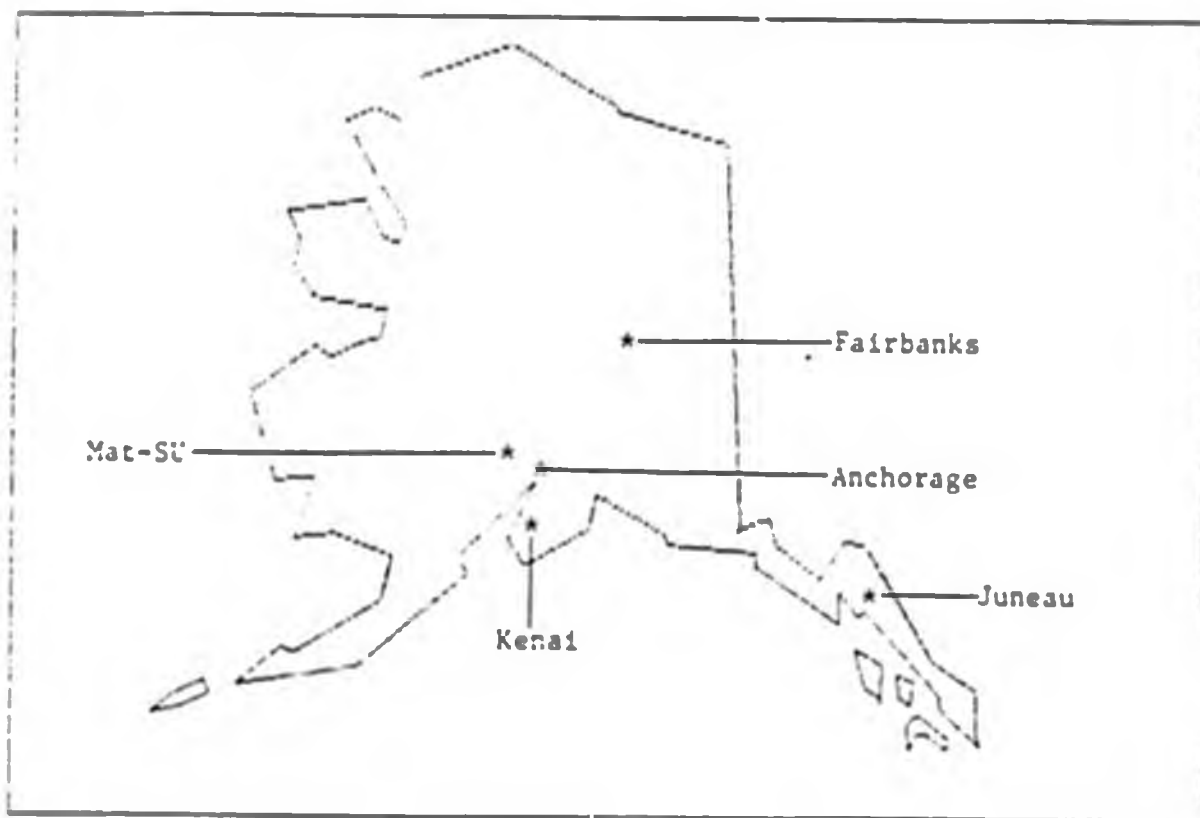
JOBS provides funding for child care costs incurred during JOBS participation and guarantees child care for 12 months after a family leaves welfare for work. Present Work Programs are not funded to permit payment of child care needs for many participants and only allow up to 90 days of child care after a family leaves welfare for work.

MEDICAL

JOBS provides medical assistance for 12 months after a family leaves welfare for work. Present Work Programs make no provision for medical assistance, but families may be eligible for four to nine months of medical care through the Medicaid Program when leaving welfare for work.

PRESENT WORK PROGRAM AREAS

**ANCHORAGE BOROUGH
FAIRBANKS BOROUGH
JUNEAU BOROUGH
KENAI BOROUGH
MAT-SU BOROUGH**



TRANSITIONAL MEDICAL AND CHILD CARE:

The Benefits a Family Receives When They Go From Welfare to Work

EXISTING LAW

Child Care

- * No child care offered except for families who apply for State Day Care Assistance
- * WIN clients can get 3 months of child care when leaving welfare for work.

Medicaid

- * Most families who leave welfare for work get 4 more months of Medicaid coverage
- * A few families under special circumstances receive 9 months of Medicaid coverage.

Child Support

- * Child Support Enforcement collection activity continues, but support payments are sent directly to the family

WELFARE REFORM

Child Care

- * A parent who leaves welfare for work will receive 12 months of child care
- * Child care costs will be covered on a sliding scale based on income
- * Providing affordable child care to families leaving welfare will support their transition into the workforce

Medicaid

- * Families who leave welfare for work will get 12 months of Medicaid coverage
- * Providing transitional Medicaid coverage will allow welfare recipients entering the work force to remain there without worrying about unanticipated medical expenses

Child Support

- * Child support collections will greatly increase due to expanded and strengthened provisions of Child Support Enforcement.

ALASKA NATIVE ORGANIZATIONS

- * Alaska Native Organizations May Participate Separately in JOBS
- * Application Submitted by 4/13/89
- * Direct Funding to the Native Organization
 - Will Reduce State JOBS Funding
 - Matching Funds not required from Alaska Native Organization (100% Funding)
- * Share of funding based on % of adult Native AFDC recipients as a % of State's adult AFDC population
- * Only one organization will be approved in each of the 12 regions

IMMEDIATE INCOME WITHHOLDING IN IV-D CASES

By November 1990, States must have laws requiring immediate income withholding:

1. In ALL IV-D cases with new or modified orders

UNLESS

- * There is a written agreement between the parties for an alternative arrangement
- * The court finds good cause not to implement withholding (for these exceptions, as required under existing law, a 30-day arrearage triggers withholding)

2. In ALL IV-D cases with existing orders

WHEN

- * The absent parent requests withholding
- * The custodial parent requests, and state approves, withholding
- * The state chooses to implement withholding

MANDATORY GUIDELINES

By October, 1989, states must have mandatory guidelines which are a rebuttable presumption,

THAT IS:

the guidelines must apply unless:

- * A written finding is made, based on state-developed criteria, that application of the guidelines would be unjust or inappropriate in a particular case

GUIDELINES MUST BE REVIEWED AT LEAST ONCE EVERY 4 YEARS

REVIEW AND MODIFICATION OF ORDERS

By October, 1990, states must have a plan to review and modify orders in IV-D cases at the request of:

- * the absent parent;
- * the custodial parent; or
- * the IV-D agency

By October, 1993, with respect to orders in IV-D cases, states must implement a process of periodic review and modification in accordance with the guidelines, if appropriate

UNLESS

- * in AFDC cases, the state determines it would not be in the best interest of the child and neither parent has requested review
- * in non-AFDC cases, neither parent has requested a review

The State must notify parties of:

- * their right to a review;
- * the date of a review, 30 days in advance;
- * any proposed modification and allow 30 days to challenge the modification

PATERNITY ESTABLISHMENT

1. AUDIT PENALTY FOR FAILURE TO MEET PERFORMANCE STANDARD

- * Beginning October 1, 1991, a state's paternity establishment percentage must equal or exceed:
 - * 50%; or
 - * the national average; or
 - * be 6 percentage points more than it was in FY88 and increase by an additional 3 percentage points for each year after FY92.

- * The paternity establishment percentage is:

Number of all children in IV-D cases born out of wedlock FOR WHOM PATERNITY HAS BEEN ESTABLISHED

- DIVIDED BY -

Number of children in IV-D cases born out of wedlock

- * The Secretary must include data on which paternity establishment percentage is based in the annual report to congress

2. GENETIC TESTS

- * Beginning November 1, 1989, any party may request, and the state must provide, genetic tests in a contested paternity case
- * States may charge any party not receiving AFDC for the costs of the tests
- * Beginning October 1, 1988, federal reimbursement is available at 90% of the laboratory costs of paternity testing

3. STATES ENCOURAGED TO ADOPT CIVIL PROCEDURES FOR PATERNITY ESTABLISHMENT, INCLUDING VOLUNTARY ACKNOWLEDGEMENT.

4. CLARIFICATION OF 1984 AMENDMENTS REQUIREMENT

- * Paternity must be established for any individual who was under age 18 on August 15, 1984, regardless of whether a prior action for paternity establishment was dismissed because of a former statute of limitations

SOCIAL SECURITY NUMBERS PROVIDED AT BIRTH

Effective November, 1990, states must require parents to provide SSNs to state when Birth Certificate is issued

- * SSNs are to be provided to IV-D agencies for child support enforcement purposes

- * SSNs are not to appear on birth certificates

IMPLEMENTATION OF WELFARE REFORM PROVISIONS

PROVISIONS	State FY89				State FY90				State FY91		
	JUL 88	OCT 88	JAN 89	APR 89	JUL 89	OCT 89	JAN 90	APR 90	JUL 90	OCT 90	JAN 91
AFDC Earnings Disregard											
Transitional Medical/Child Care											
Two Parent Family Coverage											
JOBS Program											

\$50 PASS THROUGH CLARIFICATION

Effective January 1, 1989, the first \$50 of current child support collected in an AFDC case must be paid to the family

WHENEVER

the absent parent makes the payment in the month when due

- * This eliminates the situation in which the \$50 pass through was not made when the payment was made on time but there was a delay in transferring the payment from the receiving entity to the distributing entity.

10/7/88

H.R. 1720: THE FAMILY SUPPORT ACT OF 1988

SECTION-BY-SECTION SUMMARY

SHORT TITLE

Section 1 provides the short title. When enacted, it may be cited as the "Family Support Act of 1988".

TITLE I--CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

Subtitle A--Child Support

IMMEDIATE INCOME WITHHOLDING

Section 101(a) amends section 466(b)(3) of the Social Security Act (the Act), which provides for wage withholding for child support in certain cases. States will be required, in the case of child support orders being enforced under title IV-D of the Act (IV-D cases), to provide for immediate wage withholding in the case of orders issued or modified on or after the first day of the 25th month beginning after enactment of the bill. With respect to IV-D cases, wages not otherwise subject to withholding for child support will become subject to such withholding, regardless of whether there is an arrearage, on the earliest of (1) the date that the absent parent requests such withholding, (2) the date the custodial parent requests that such withholding begin, if the State approves the request, or (3) such earlier date as the State may select.

Subsection (b) amends section 466(a)(8) of the Act to require States to provide for immediate wage withholding for all support orders initially issued on or after January 1, 1994, regardless of whether a parent has applied for services under title IV-D, and regardless of whether support payments are in arrears, unless (1) one of the parties demonstrates, and the court or administrative process finds, good cause not to require such withholding, or (2) the parties make a written agreement providing for an alternative arrangement.

Subsection (c) requires the Secretary of Health and Human Services (Secretary), by 3 years after enactment of the bill, to study and report on the administrative feasibility, cost implications, and other effects of requiring immediate income withholding for all child support orders in a State.

DISREGARD APPLICABLE TO TIMELY CHILD SUPPORT PAYMENTS

Section 102 amends sections 402(a)(8)(A)(vi) and 457(b)(1) of the Act to require States to disregard, for purposes of eligibility for Aid to Families with Dependent Children (AFDC) under title IV-A of the Act, in addition to the first \$50 of child support payments for a given month received in that month, the first \$50 of such payments for each prior month received in that month, if such payments were made by the absent parent in the month when due. The amendment is effective as of the first quarter after enactment.

STATE GUIDELINES FOR CHILD SUPPORT AWARD AMOUNTS

Section 103(a) amends section 467(b) of the Act (which currently requires that States establish guidelines for child support award amounts, but does not require that the guidelines be binding upon judges and other officials with authority to set award amounts). The bill requires that the guidelines be used to set award amounts unless they are rebutted by a written finding that their application would be unjust or inappropriate in a particular case.

Subsection (b) amends section 467(a) of the Act to require that the guidelines be reviewed at least once every four years to ensure their appropriateness.

Subsection (c) adds a new paragraph (10) to section 466(a), requiring States to have in effect procedures--

(1) beginning two years after enactment of the bill, for review and adjustment in accordance with the guidelines of a child support order being enforced under title IV-D, if either parent or the State child support enforcement (CSE) agency so requests and the State determines review is needed, and

(2) beginning not later than five years after enactment, for periodic review, and adjustment in accordance with the guidelines, of title IV-D child support orders, to be performed not later than 36 months after establishment of the order or the most recent review, unless (i) in the case of a child receiving AFDC, the State determines that such review would not be in the best interests of the child, and neither parent has requested review, or (ii) in other cases, neither parent has requested review.

Subsection (d) requires the Secretary, within two years after enactment, to complete a study to determine the impact on child support awards and the courts of requiring each State to periodically review all child support orders in effect in the State.

Subsection (e) requires the Secretary, by April 1, 1989, to approve four State demonstration projects to test model procedures for reviewing child support award amounts. The Secretary is required to pay each State, as an additional payment under title IV-D of the Act, 90 percent of reasonable costs incurred in conducting the demonstration. The costs of the projects will not be considered for purposes of computing incentive payments. The demonstrations are to begin by September 30, 1989, and to be conducted for a two-year period. The Secretary must report the results by 6 months after the projects are completed.

Subsection (f) provides that amendments made by subsections (a), (b), and (c) become effective one year after enactment.

TIMING OF NOTICE OF SUPPORT PAYMENT COLLECTIONS

Section 104 amends section 454(5)(A) of the Act (which currently requires that individuals who have assigned child support rights to the State under title IV-A be notified at least annually of the amount of support payments collected) to require such notification on a monthly basis (or quarterly, where the Secretary determines monthly notification would be an unreasonable administrative burden). The amendment is effective on the first day of the first calendar quarter beginning 4 years after enactment.

Subtitle B--Establishment of Paternity

PERFORMANCE STANDARDS FOR STATE PATERNITY ESTABLISHMENT PROGRAMS

Section 111(a) adds a new subsection (g) to section 452 of the Act to establish quotas for paternity establishment which the State must meet in order to avoid compliance penalties under section 403(h) of the Act. For each fiscal year after FY 1991, the State's paternity establishment percentage (PE%) must equal or exceed (1) 50 percent, (2) the State's PE% for FY 1988 increased by 3 percentage points for each fiscal year between FY 1990 and such fiscal year, or (3) the PE% for all States for such fiscal year. The PE% for a State (or for all States) is obtained by dividing the number of children who are born out of wedlock, are receiving AFDC payments or IV-D services, and for whom paternity has been established during a fiscal year by the number of children born out of wedlock who are receiving AFDC payments or IV-D services for the same fiscal year. In calculating the PE%, children eligible for AFDC through death of a parent, or with respect to whom good cause is found not to cooperate in paternity establishment, are not counted.

The new requirements established by this subsection will supplement and not supplant any not inconsistent requirement

established by the Secretary in regulations. The Secretary may modify the new requirements to take into account additional variables affecting a State's ability to meet these requirements. The Secretary must report annually to the Congress on the data on which State PEts are based, additional variables identified by the Secretary, and States' performance.

Subsection (b) amends section 466(a)(5) of the Act to require the State to have procedures requiring (except where good cause is found for refusing to cooperate) the child and all other parties in a contested paternity case to submit to genetic testing upon the request of any party.

Subsection (c) amends section 454(6) of the Act to permit States to impose upon any individual not receiving AFDC payments a fee, in accordance with regulations of the Secretary, for performing genetic tests.

Subsection (d) adds a new section 468 of the Act which declares that, in the administration of its CSE program under title IV-D, each State is encouraged to establish and implement a simple civil process for voluntarily acknowledging paternity and a civil procedure for establishing paternity in contested cases.

Subsection (e) amends section 466(a)(5) of the Act (which requires States to permit paternity establishment at any time before a child's eighteenth birthday) to provide that this requirement applies, as of August 16, 1984, to any child for whom paternity has not yet been established and any child for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

Subsection (f) provides that the amendments made by subsections (b) and (c) become effective on the first day of the first month beginning one year after enactment; other amendments become effective upon enactment. The Secretary is required to collect the data necessary to implement the requirements added by subsection (a), and may, if full year data are not available, determine States' PEts for FY 1988 on the basis of data collected for the last quarter of that fiscal year (or, if not available, for the first quarter of FY 1989).

INCREASED FEDERAL ASSISTANCE FOR PATERNITY ESTABLISHMENT

Section 112 amends section 455(a)(1) of the Act to provide 90 percent Federal matching for State expenditures attributable to laboratory costs incurred (in or after FY 1989) in establishing paternity.

Subtitle C--Improved Procedures for Child Support
Enforcement and Establishment of Paternity

REQUIREMENT OF PROMPT STATE RESPONSE TO REQUESTS FOR CHILD
SUPPORT ASSISTANCE

Section 121(a) adds a new subsection (h) to section 452 of the Act, requiring that the performance standards for State IV-D programs include standards establishing time limits on the State's acceptance of and response to requests (from States, political subdivisions, or individuals receiving AFDC or requesting IV-D services) for assistance in establishing and enforcing support orders.

Subsection (b) requires the Secretary (1) by 60 days after enactment to establish an advisory committee (including representatives of State governors, State welfare administrators, and State directors of title IV-D programs) to be consulted before issuing regulations with respect to the standards required by subsection (a), and (2) to issue, with respect to such standards, a notice of proposed rulemaking by 180 days after enactment, and final regulations by the first day of the tenth month after enactment.

REQUIREMENT OF PROMPT STATE DISTRIBUTION OF AMOUNTS COLLECTED AS
CHILD SUPPORT

Section 122(a) adds a new subsection (i) to Section 452 of the Act, requiring that the performance standards for State IV-D programs include standards establishing time limits governing the period within which States must distribute amounts collected as child support.

Subsection (b) requires the Secretary to issue, with respect to such standards, a notice of proposed rulemaking by 180 days after enactment, and final regulations by the first day of the tenth month after enactment.

AUTOMATED TRACKING AND MONITORING SYSTEMS MADE MANDATORY

Section 123 adds a new paragraph (24) to section 454 of the Act, requiring States that do not, on the date of enactment, have in effect a statewide automated data processing and information retrieval system meeting the requirements of section 454(16) (1) to submit to the Secretary by October 1, 1991, an advance automated data processing planning document, for the Secretary's review and approval within 9 months after submittal, and (2) to have in effect, by October 1, 1995, a statewide data processing and information retrieval system meeting the requirements of section 454(16).

Subsection (b) amends section 452(d) of the Act to permit the Secretary to waive requirements for approval of a State's automatic data processing planning document if (1) the State demonstrates to his satisfaction that it has an alternative system or systems that enable it to be in substantial compliance with IV-D requirements, (2) the waiver meets the criteria of section 1115(c), or (3) the State provides assurances that steps will be taken to otherwise improve the State's CSE program.

Subsection (c) amends section 455(a)(1), effective September 30, 1995, to eliminate the special 90% matching rate for expenditures attributable to the planning, design, development, installation, or enhancement of an automatic data processing and information retrieval system.

ADDITIONAL INFORMATION SOURCE FOR PARENT LOCATOR SERVICE

Section 124(a) amends section 453(e) of the Act to require the Secretary of Labor to enter into an agreement with the Secretary to provide prompt access to the wage and unemployment compensation claims information maintained by or for the Department of Labor or State employment security agencies.

Subsection (b) adds a new subsection (h) to section 303 of the Act, requiring the State agency charged with the administration of the State unemployment compensation law take such actions (as provided in the agreement between the Secretaries of Labor and HHS provided for under subsection (a)) as necessary to enable the Secretary of HHS to obtain prompt access to any wage and unemployment compensation claims information (including any information that might be useful in locating an absent parent or such parent's employer) for use in carrying out the CSE program under title IV-D. Where the Secretary of Labor finds that a State has failed to comply substantially with this requirement, title III payments may not be made to a State until substantial compliance is found.

Subsection (c) provides that the amendments made by subsections (a) and (b) become effective as of the first calendar quarter beginning one year after enactment, and requires the Secretaries of Labor and HHS to enter into the required agreement by 90 days after enactment.

USE OF SOCIAL SECURITY NUMBERS TO ESTABLISH IDENTITY OF PARENTS

Section 125 amends section 205(c)(2)(C) of the Act to provide that, in the administration of any law involving the issuance of a birth certificate, each State shall require each parent to furnish his or her social security number or numbers unless good cause is found not to so require. Such numbers shall not be recorded on the birth certificate. The State must make the numbers available to the State IV-D agency, for use only

(with a limited exception) for child support enforcement. This amendment is effective on the first day of the 25th month beginning after enactment.

COMMISSION ON INTERSTATE CHILD SUPPORT

Section 126 establishes a Commission on Interstate Child Support, with four members each appointed by leadership of the House and Senate, respectively, and seven members appointed by the Secretary. Members shall be appointed by July 1, 1989. During FY 1990 the Commission shall hold one or more national conferences on interstate child support reform. By May 1, 1991, the Commission shall submit a report to the Congress containing recommendations for improving the interstate establishment and enforcement of child support awards and for revising the Uniform Reciprocal Enforcement of Support Act. The Commission shall terminate on July 1, 1991. \$2 million are authorized to be appropriated to carry out this section.

COSTS OF INTERSTATE ENFORCEMENT DEMONSTRATIONS EXCLUDED IN COMPUTING INCENTIVE PAYMENTS

Section 127 amends section 458(d) of the Act to exclude amounts expended by a State in carrying out an interstate enforcement demonstration under section 455(e) in computing incentive payments for child support collections.

STUDY OF CHILD-REARING COSTS

Section 128 requires the Secretary, by grant or contract, to conduct a study of the patterns of expenditures on children in 2-parent families, in single-parent families following divorce or separation, and in single-parent families in which the parents were never married, giving particular attention to the relative standard of living in households in which both parents and all children do not live together. The Secretary must submit to the Congress, by two years after enactment, a report including recommendations for legislative, administrative, and other actions.

COLLECTION AND REPORTING OF CSE DATA

Section 129 adds a new section 469 to the Act requiring the Secretary to collect and maintain, on a fiscal year basis, statistics by State, separately stated for families receiving AFDC and families not receiving such aid, with respect to (1) paternity determination, (2) location of an absent parent for purposes of establishing a child support obligation, (3) establishment of a child support obligation, and (4) location of an absent parent for the purpose of enforcing or modifying an established child support obligation, indicating the number of

v caseload needing the service and the service has been provided.

OPPORTUNITIES AND
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To the extent the program can be made available, recipients will be required to participate (when child is provided, as required below), and applicants, and exempt recipients (enumerated in (C) below) will be allowed to volunteer. Volunteers in target groups must be given priority; however, the State is not required to accept volunteers if to do so would mean the State would not be serving a high enough percentage of target group members to receive the preferential matching (authorized by subsequent provisions).

(C) An individual is exempt from the participation requirements if the individual is --

- (i) ill, incapacitated, or of advanced age;
- (ii) needed at home to care for another;
- (iii) the caretaker of a child under age 3 (or, at State option, a child younger than age 3, but not less than age 1), or of a child under age 6, unless the State guarantees child care, and requires no more than 20 hours' participation per week;
- (iv) working 30 hours or more weekly;
- (v) a child who is under age 16 or is a full-time student;
- (vi) pregnant and the baby will be born within 6 months following the month when participation would otherwise first be required; or

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

cases in the State IV-D agency caseload needing the service and the number of cases for which the service has been provided.

TITLE II -- JOB OPPORTUNITIES AND
BASIC SKILLS TRAINING PROGRAM (JOBS)

ESTABLISHMENT AND OPERATION OF PROGRAM

State Plan Requirement

Section 201(a) revises section 402(a)(19) of the Social Security Act to require that AFDC plans provide for the new JOBS program (the details of which are contained in a new part F, added to title IV of the Act by subsequent amendments). The AFDC plan must contain the following provisions. --

(A) The State will provide for and operate a JOBS program that complies with part F;

(B) To the extent the program can be made available, AFDC recipients will be required to participate (when child care is provided, as required below), and applicants, and exempt recipients (enumerated in (C) below) will be allowed to volunteer. Volunteers in target groups must be given priority; however, the State is not required to accept volunteers if to do so would mean the State would not be serving a high enough percentage of target group members to receive the preferential matching (authorized by subsequent provisions).

(C) An individual is exempt from the participation requirements if the individual is --

(i) ill, incapacitated, or of advanced age;

(ii) needed at home to care for another;

(iii) the caretaker of a child under age 3 (or, at State option, a child younger than age 3, but not less than age 1), or of a child under age 6, unless the State guarantees child care, and requires no more than 20 hours' participation per week;

(iv) working 30 hours or more weekly;

(v) a child who is under age 16 or is a full-time student;

(vi) pregnant and the baby will be born within 6 months following the month when participation would otherwise first be required; or

(vii) residing in an area where the JOBS program is not available.

(D) The exemption as the parent of a young child may only be claimed by one parent in a family eligible for AFDC by reason of the unemployment of the principal earner (hereafter called a "UP family"), and the State has the option of requiring participation by both parents if child care is guaranteed.

(E) In the case of a parent under 20 without a high school diploma who is not exempt (or who is exempt only because of the age of the child), the State agency must require participation in educational activities. The agency may require full-time participation in activities leading to a high school diploma, without regard to the 20 hour per week limitation that would otherwise apply. The State may prescribe criteria for exempting custodial parents under 18 from the educational activities requirement, or may require such a parent who is age 18 or 19 to participate in work or training (instead of educational) activities if the parent fails to make good progress in education activities or if an educational assessment indicated that the parent cannot be appropriately placed in those activities.

(F) If the parent or caretaker is already attending school, including a program of higher education, or participating in one of various specified educational or training programs, and that participation is consistent with his employment goals, the State may consider that to satisfy the requirement to participate. Other activities may not interfere with participation in such a program, the participation costs may not be claimed for Federal AFDC matching, but the cost of day care, transportation and other services the State finds necessary for participation are matchable.

(G) Sanctions are specified for individuals required to participate who fail to do so. Such an individual will not have his needs included in determining the family's AFDC payment and, if the individual is a parent in a UP family and his spouse is not participating, then the needs of neither parent are included. Sanctions continue, on the first occurrence, until the individual complies with the requirement to participate; on the second occasion, until the failure ceases or, if later, 3 months; and thereafter, until the failure ceases or, if later, 6 months. The State must advise the individual after 3 months that he can end the sanction by complying.

(H) The State may require a participant to accept a job only if it assures that there will be no net loss of cash income by the family. Costs of the State agency because of this requirement are eligible for matching as assistance costs.

Establishment and Operation of Program

Section 201(b) adds a new part F to title IV as follows:

PART F -- JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM

Purpose and Definitions

Section 481 states that the purpose of part F is to assure that needy families with children obtain the education, training, and employment necessary to avoid long-term welfare dependence. Terms in part F have the same meaning as in part A, unless otherwise noted.

Establishment and Operation of State Programs

State Plans for JOB Opportunities and Basic Skills Training Program

Section 482(a) requires, as a condition of State plan approval under part A, that each State have a JOBS program under a plan approved by the Secretary as consistent with section 402(a)(19) and part F, and must review and update its JOBS plan (and submit it for Secretarial approval) not less frequently than every two years.

The plan must describe how the JOBS program (hereafter referred to as the "program") will be conducted, and must contain an estimate of the numbers who will be served, a description of the services to be provided, the extent to which services will be available from other programs with and without reimbursement from this program, and any other information the Secretary may request. The Secretary will consult with the Secretary of Labor on the general plan requirements and criteria for plan approval.

By October 1, 1992, the program must be available in each political subdivision of the State where feasible in light of the likely number of participants, the local economy, and other such factors. The plan must justify any conclusion that it is not feasible to extend the program to one or more subdivisions. The program must be operated by the same agency as is responsible for the AFDC plan generally under part A. Federal funds for the program must supplement and not supplant non-Federal funds for

relevant services and activities. Effort must be maintained at the fiscal year 1986 level.

Assessment and Review of Needs and Skills of Participants:
Employability Plan

Section 482(b) requires the State agency to assess the educational, child care, and supportive services needs, and the work experience and skills, of each participant and to review his family circumstances. Thereafter, in consultation with the individual, the State agency must develop an employability plan describing the activities in which the individual will participate and the services to be provided under the program. Further, the State may require each participant to enter an agreement, specifying his obligations and other specifics of his participation. The State may also assign a case manager to each participant and family.

Provision of Program and Employment Information

Under section 482(c), the State agency must assure that all applicants and recipients are encouraged, assisted, and required to fulfill their responsibilities to support their children by preparing for accepting and retaining such employment as they can perform. The State agency must inform applicants and recipients of the JOBS activities and services for which they are eligible, the obligations of the State agency, and the rights, responsibilities, and obligations of participants in the JOBS program.

With respect to child care, the State agency must: (1) provide information on the types and locations of child care services accessible to participants; (2) inform participants that assistance is available to help them select appropriate child care services; and (3) upon request, provide assistance in obtaining child care services.

The agency must also provide information about the grounds for exemption from the program, the consequences of not participating, and a description of how to enter the program.

Services and Activities Under the Program

Section 482(d) requires that State JOBS programs make available a broad range of services and activities. The program must include education, job skills training, job development and placement, and job readiness activities. Programs must also include at least two out of the following four activities: job search, CWEP or other work experience programs approved by the Secretary, work supplementation, and on-the-job training (OJT).

The State may also offer postsecondary education in appropriate cases, and other education, training, and employment activities allowed by the Secretary. If the State requires an individual age 20 or over without a high school diploma to participate, it must include educational activities, if necessary, consistent with his employment goals.

Also, the Secretary must allow up to 5 States to provide services under the JOBS program to unemployed, non-custodial parents who are unable to meet their child support obligations. The States must evaluate the effect of including those parents in the program and assess whether it assists in helping needy families with children to avoid long-term welfare dependence. The evaluation results must be reported to the Secretary.

Work Supplementation Program

Section 482(e), authorizing States to institute work supplementation programs and prescribing the terms and conditions, follows present law with modifications. It allows States to make participation in work supplementation either mandatory or voluntary; requires States to provide Medicaid to participants in work supplementation; and allows States to exempt work supplementation participants from retrospective budgeting.

Community Work Experience Program

Section 482(f), authorizing States to establish community work experience programs (CWEP), follows present law with modifications. After an individual has been assigned to a CWEP position for 9 months, the individual may not be required to continue in that assignment unless the maximum number of hours of participation is no greater than the cash benefit (excluding the portion of benefit for which the State is reimbursed by a child support payment) divided by the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site (if greater than the Federal or State minimum wage used to calculate the maximum number of hours for the first 9 months). At the conclusion of each CWEP assignment, but, in any event, after each 6 months of participation in CWEP, the State agency must provide a reassessment, and revision, as appropriate, of the individual's employability plan.

Job Search Program

Section 482(g), authorizing States to establish a job search program, follows present law with modifications. It retains the present law provision that limits required participation in a job search program to 8 weeks in any 12-month period (except in the year of application, when the total may be 16 weeks). It further provides that any additional job search may be required only in combination with some other education, employment, or training

activity designed to improve prospects for employment. An applicant may be required to participate in job search, but no individual may be required to participate in job search for more than 3 weeks before the State agency conducts an employability assessment. This section also provides that participation in job search shall not qualify as an activity under the program when it has been performed for 4 out of the preceding 12 months.

Dispute Resolution Procedures

Section 482(h) requires States to establish a conciliation procedure to resolve disputes concerning participation. If the dispute is not resolved, a hearing must be given. States may use the regular AFDC hearing process or one specially designed for the JOBS program. Assistance may not be suspended, reduced, discontinued, or terminated until an individual is provided a fair hearing meeting the due process standards set forth by the U.S. Supreme Court in Goldberg v. Kelly.

Special Provisions Relating to Indian Tribes

Section 482(i) provides that Indian tribes (or Alaska Native organizations) may apply to operate a JOBS program. Application must be made within 6 months after enactment. Upon approval of an application, the Secretary will provide direct funding (without a matching requirement) to the tribe or organization. The funding will be taken from the State's capped entitlement, and based on the tribe's or organization's pro rata share of the total of adult recipients in the State. A JOBS program under this subsection need not meet any of the requirements generally applicable to States if the Secretary determines the requirement is inappropriate.

Coordination Requirements

Section 483 requires each State's Governor to assure that programs under part F are coordinated with those under the Job Training Partnership Act (JTFA) and other relevant programs in the State. The State job training coordinating council will have an opportunity to review and comment on State plans. The Secretary of HHS must consult with the Secretaries of Education and of Labor, on a continuing basis, to assure maximum coordination of services. The State agency must also consult with the State education agency and the agency administering job training programs.

Provisions Generally Applicable to the Provision of Services

Section 484(a) requires the State agency to assure that:
(1) an assignment takes into account the physical capacity, skills, experience, health and safety, family responsibilities,

and place of residence of the participant; (2) individuals are not discriminated against; (3) conditions of participation are reasonable; and (4) a participant is not required, without his consent, to travel an unreasonable distance from home or remain away from home overnight to participate; and, (5) assignments are based on available resources, the participants circumstances, and local employment opportunities.

Subsection (b) requires the furnishing of appropriate workers' compensation and tort claims protection (under regulations of the Secretary).

Subsection (c) provides that no work assignment may result in: (1) the displacement of a currently employed worker or position; (2) the impairment of existing contracts for services or collective bargaining agreements; (3) the employment of the participant when (a) any other person is on layoff from the same or any equivalent position, or (b) the employer has terminated any regular employee or otherwise reduced his workforce with the effect of filling the vacancy with a participant under the JOBS program; and (4) any infringement of the promotional opportunities of any currently employed individual. Participants in CWEP, work experience, or work supplementation may not fill established unfilled positions. Program funds may not be used to assist, promote, or deter union organizing.

Subsection (d) requires States to establish and maintain grievance procedures for resolving complaints by regular employees or their representatives that assignments violate the provisions of subsection (b). The fair hearing process will be used to hear other working conditions and wage rate complaints. State decisions could be appealed to the Secretary of Labor.

Subsection (e) specifies that the preceding requirements of section 484 apply to activities under the JOBS program and to work activities under a section 1115 work-related AFDC demonstration.

Subsection (f) requires the Secretary of Health and Human Services and the Secretary of Labor to issue joint regulations to carry out section 484.

Contract Authority

Section 485 provides that the State welfare agency may administer the program directly or through arrangements or contracts with JTPA administrative entities, State and local educational agencies, and with other public or private organizations (including community-based organizations as defined in section 4(5) of the JTPA). The State welfare agency must use the services of each private industry council (PIC) to identify

and provide advice on the types of jobs available or likely to become available in each JTPA service delivery area.

Initial State Evaluations

Section 486 authorizes State AFDC agencies, within the 12 months following enactment, to conduct evaluations of the factors relevant to the labor market and employment opportunities within the State, in order that the efforts of the JOBS program may be as successful as possible. They will also study the demographics of the population to be served. The Secretaries of HHS and Labor will provide technical assistance and the Secretary of HHS will consider the States' evaluations in developing performance standards.

Separate Funding for Jobs Program; Financial Participation

Section 201(c) adds a new subsection (k) to the AFDC matching authority (section 403 of the Social Security Act) as follows:

Funding for the JOBS program would be in the form of a capped entitlement. Each State would be allotted an amount equal to its WIN allotment for fiscal year 1987 (\$126 million for all the States), plus an additional amount equal to the product of the State's pro rata share of the adult AFDC recipients in all States and a specified amount for each fiscal year. The amounts (each reduced by the \$126 million previously allotted above) are:

\$600 million in FY 1989
 \$800 million in FY 1990
 \$1.0 billion in each of FYs 1991, 1992, and 1993,
 \$1.1 billion in FY 1994,
 \$1.3 billion in FY 1995, and
 \$1.0 billion in FY 1996 and thereafter.

The matching rates for JOBS expenditures are set out in a new section 403(l) as follows:

90 percent of JOBS expenditures, until Federal payments equal the amount of the State's FY 1987 WIN allotment;

Thereafter, 60 percent (or, if greater, the Federal medical assistance percentage) for non-administrative costs and costs of personnel working full-time on the JOBS program; and

50 percent for administrative costs.

JOBS funds may not be used for construction. Child care expenditures for the territories, but not the other States, are matched from the capped entitlement.

Federal matching would be reduced to 50 percent unless at least 55 percent of funds is spent on the following target populations: (1) families in which the custodial parent is under age 24 and (a) has not completed high school or is not enrolled in high school or an equivalent course, or (b) had little or no work experience in the preceding year; (2) families in which the youngest child is within 2 years of being ineligible for assistance because of age; (3) families who have received assistance for more than 36 months during the preceding 60-month period. Volunteers must receive first consideration within target groups.

Provision is made for waiver of the target group percentages where the Secretary is satisfied that it is infeasible because of caseload characteristics, and that the State is targeting other long-term recipients. The Secretary must submit to Congress any recommendation he may have for changes in the target groups at least every two years.

Federal matching for a year is also reduced to 50 percent if minimum participation standards, specified for FYs 1990 through 1995 are not achieved for the preceding year. In FY 1990, at least 7 percent of the State's non-exempt caseload must participate; the rates thereafter are 7 percent in FY 1991, 11 percent in FYs 1992 and 1993, 15 percent in FY 1994 and 20 percent in FY 1995. (However, no penalty may be applied before FY 1991.)

The State will establish requirements to determine what constitutes participation consistent with regulations of the Secretary; satisfactory participation cannot be merely being registered to participate.

The Secretary may waive the reduction in matching for a State's failure to achieve the participation rates if he finds that the State is operating in conformity with the statutory requirements, made a good faith effort to comply, and has submitted a proposal which is likely to achieve the required rates.

Each State must also require that of the percentages of UP families specified below for particular fiscal years, at least one parent in each family participates, for at least 16 hours per week, in work supplementation, CWEP or another work experience program, OJT, or a State designed work program approved by the Secretary. States may substitute educational activities for a parent under age 25 who has not completed high school. If the parent is participating in CWEP, he will meet the requirement if he participates each month for the number of hours equal to the family's AFDC benefit (reduced by child support collections) divided by the greater of Federal or applicable State minimum wage.

The percentage of UP families with respect to which the State must satisfy this requirement are:

40 percent of the average monthly UP caseload in FY 1994,
50 percent in FY 1995,
60 percent in FY 1996, and
75 percent in FY 1997 and 1998.

The State may exclude, in determining the average monthly UP caseload, UP families receiving AFDC for 2 months or less if one parent is participating in intensive job search.

The Secretary may waive any penalty that would otherwise apply for not achieving these percentages if he finds the State is operating a program in conformity with the statute, has made a good faith effort to comply but was unable to do so because of economic conditions (including significant numbers of recipients remote from work sites) or because of rapid, unanticipated caseload growth, and the State submits a proposal likely to achieve the specified rates.

TECHNICAL AND CONFORMING AMENDMENTS

Section 202 repeals part C of title IV of the Social Security Act (the WIN program) and makes other technical and conforming amendment necessitated by the preceding provisions.

REGULATIONS; PERFORMANCE STANDARDS; STUDIES

Regulations

Section 203(a) requires the Secretary of HHS to issue proposed regulations within 6 months after enactment, and final regulations within one year after enactment, in consultation with the Secretary of Labor and the State agencies responsible for administration of the JOBS programs. The regulations shall include uniform data collection requirements.

Performance Standards

Subsection (b) adds section 487 to the Social Security Act. It requires that, no later than 3 years after the mandatory effective date of the program, the Secretary must develop performance standards in consultation with the Secretary of Labor, Governors, and other specified concerned individuals, and submit recommendations to the Congressional committees with jurisdiction over the program. Performance must be measured by outcome and not only be levels of activity or participation, and must be based on the degree of success which may be expected in helping participants increase earnings achieve self-sufficiency, and reduce welfare dependence.

Implementation and Effectiveness Studies

Subsection (c) requires the Secretary to conduct an implementation study, and an effectiveness study, relating to States' JOBS programs under part F. It also provides for an advisory panel to design, implement and monitor a series of implementation and evaluation studies.

Study on Application of JOBS Program to Indians

Subsection (d) requires the Secretary of HHS, in cooperation with the Secretary of the Interior, to conduct a study of the application of the JOBS program to Indians. A report must be submitted to the Congress by October 1, 1989.

EFFECTIVE DATE

Section 204(a) provides a general effective date of October 1, 1990.

Subsection (b) allows States to implement the JOBS program (and have the amendments become effective with respect to them) at such earlier date, beginning with the first calendar quarter following publication of proposed rules (or the date when such rules should have been published, as the State may select. In such a case, provision is made for prorating a State's capped entitlement, depending on the quarter in the fiscal year in which the State enters the program.

The general participation standards provisions are repealed effective October 1, 1995, and the UP participation rate provision is repealed effective October 1, 1998.

TITLE III -- SUPPORTIVE SERVICES
FOR FAMILIES

CHILD CARE DURING PARTICIPATION IN EMPLOYMENT, EDUCATION, AND TRAINING

Section 301 adds a new subsection (g) to section 402 of the Social Security Act as follows:

The State agency would be required to guarantee child care if it determines that child care is necessary for an individual's employment. Child care would also be required to be guaranteed for education and training activities if the State agency approves the activity and determines that the individual is participating satisfactorily. The State would be required to take account of the individual needs of the child whenever it arranges child care.

The State agency could provide care itself, arrange care by use of contract or voucher, provide cash or vouchers in advance to the caretaker relative, reimburse the caretaker relative, or adopt any other arrangements deemed appropriate by the agency. Reimbursement for the cost of care may not be less than the amount of the child care disregard for which the family is otherwise eligible nor more than actual cost or applicable local market rates, regardless of the method selected to provide care. However States could not change the current method of reimbursing for child care if it would disadvantage families.

The value of child care provided would not be treated as income for any other Federal or Federally-assisted need-based program and could not be claimed as an employment-related expenses for tax purposes.

The Federal matching rate would be the Medicaid rate. Matching will only be available for child care that meets applicable standards of State and local law.

States would be required to establish procedures to assure that center-based child care will be subject to State and local requirements designed to ensure basic health and safety, including fire safety, protections. The State must also develop guidelines for family day care. The State would be required to provide the Secretary a description of these State and local determined requirements and guidelines, which would be used to report to Congress on the nature and content of State and local standards for health and safety. \$13 million would be authorized for each of FYs 1990 and 1991 for grants to States to improve their child care licensing and registration requirements and procedures, and to monitor child care provided to AFDC children.

Child care activities under this new subsection (g) must coordinated with existing early childhood education programs in the State.

In addition to the requirement to guarantee child care, the State agency must pay or reimburse participants for transportation and other work-related expenses (including supportive services) the State finds necessary for the individual's participation.

EXTENDED ELIGIBILITY FOR CHILD CARE

Section 302 amends the new section 402(g) described above to provide for child care that must be guaranteed to an individual in a family which no longer receives AFDC, as follows:

Child care must be guaranteed to the extent the care is determined by the State agency to be necessary for an individual's employment in any case where a family has ceased to

receive assistance as a result of increased hours of, or increased income from, employment or as a result of the loss of earning disregards.

Section 302(c) further amend section 402(g) to include provisions dealing with limitations on continued eligibility for child care, as follows:

A family will be eligible for transitional child care for no longer than 12 months after the last month for which the family received assistance. Further, a family will not be eligible for transitional child care unless it received aid in at least 3 of the 6 months preceding the month of ineligibility, includes a child who is (or if needy would be) a dependent child, and does not include a family member who ceased working without good cause or failed to cooperate in establishing or enforcing child support obligations. The States would be required to establish sliding-scale fee schedules, for reimbursing such a family's child costs, based on the ability to pay of the family.

The Secretary of HHS is directed to study the extent to which individuals return to the welfare rolls to requalify for additional months of transitional benefits. If the study shows that this has occurred, the Secretary would be required to issue regulations, but not before October 1, 1991, to restrict requalification.

The Secretary of HHS must conduct a study of the effectiveness of the child care transition provisions and report to Congress by September 30, 1997.

EXTENDED ELIGIBILITY FOR MEDICAL ASSISTANCE

Section 303(a)(1) adds a new section 1925 to the Social Security Act, providing for extended Medicaid eligibility for families who lose eligibility for AFDC because of employment of the caretaker relative.

Section 1925(a) requires State Medicaid plans to provide that each family which was receiving AFDC payments in at least 3 of the 6 months immediately preceding the month in which the family became ineligible for AFDC because of the hours of or income from employment of the caretaker relative, or because of the time limit on the earned income disregard under title IV-A, will remain eligible for Medicaid (subject to certain conditions) during the succeeding 6-month period. A family's extended Medicaid eligibility terminates after the first month in which it ceases to include a child who is (or would if needy be) a dependent child for purposes of AFDC. The Medicaid coverage available to the family during this 6-month extension period must be of the same amount, duration, and scope as if the

family were still receiving AFDC payments. As an alternative to providing Medicaid coverage, the State may pay a family's expenses for premiums, deductibles, coinsurance, and similar costs for health insurance or other health coverage offered by an employer of the caretaker relative or by an employer of the absent parent of a dependent child; such payments will be treated as Medicaid expenditures.

Subsection (b)(1) requires State Medicaid plans to provide for an additional 6-month extension of eligibility to each family which had Medicaid coverage during the entire 6-month extension period under subsection (a) and which meets certain reporting requirements.

Paragraph (2) requires a family, in order to retain Medicaid eligibility during the second extension period, to report, by the 21st day of the fourth month of the first extension period and of the first and fourth months of the second extension period, on its gross monthly earnings and on its costs for child care necessary for employment of the caretaker relative.

Paragraph (3) provides that a family's eligibility during the second extension period shall terminate--

(1) at the close of the first month in which the family ceases to include a child who is (or would if needy be) a dependent child for purposes of AFDC,

(2) if the family fails without good cause to pay any premium for a month by the 21st of the following month, at the close of that following month, or

(3) at the close of the 1st or 4th month of such period, if (A) the family failed without good cause to make on a timely basis the reports required under paragraph (2) (or the State may instead suspend eligibility until the month after the month in which required reports are received), (B) the caretaker relative had no earnings in one or more of the 3 previous months, unless such lack of earnings was due to an involuntary loss of employment, or to illness or other good cause, or (C) the State determines that the family's average gross monthly earnings (less costs for necessary child care) during the preceding 3-month period exceed 185 percent of the poverty line.

Paragraph (4) provides that, during the second extension period, the State plan must offer to each family medical assistance of the same amount, duration, and scope as would be available to the family if

receiving AFDC payments (except that the State may elect not to provide specified non-acute care benefits, and may provide instead employer-based coverage in the same manner as under subsection (a)). The State may also offer families, as an alternative, coverage through enrollment in (A) a family option of employment-based group health coverage offered to the caretaker relative, (B) a family option of a group health plan offered to State employees, (C) a basic State health plan offered by the State to individuals in the State otherwise unable to obtain health insurance, (D) a health maintenance organization less than 50 percent of whose prepaid membership consists of individuals eligible for Medicaid (other than because of this option). If the State elects any of the alternatives to Medicaid coverage, the State must pay any premiums and other enrollment costs, and may pay deductibles and coinsurance (but there must be no cost-sharing imposed for maternity and preventive pediatric care).

Paragraph (5) permits States to impose a premium for coverage during the second extension period, but only if the family's average gross monthly earnings (less necessary child care costs) for the premium payment period (defined as the 3-month period beginning on the 1st or 4th month of that extension period) exceed the poverty line. The premium amount may vary, for the same family, for each type of alternative coverage offered by the State under paragraph (4), but may not exceed 3 percent of the family's average gross monthly earnings for the 3-month period ending 4 months before the premium payment period.

Subsection (c) provides that the requirements of this section shall apply to any State providing Medicaid under a waiver under section 1115(a), and shall apply only to the 50 States and the District of Columbia.

Subsection (d) provides that this section shall not apply to an individual who is a member of a family which had received AFDC if the State finds that, at any time during the last 6 months in which the family was receiving AFDC before being provided extended eligibility under this section, the individual was ineligible for such aid because of fraud.

Subsection (e) defines "caretaker relative" as having the same meaning as under title IV-A.

Subsection (f) provides that this section shall not

apply with respect to families that cease to be eligible for AFDC after September 30, 1998.

Section 303(a)(2) of the bill adds a new paragraph (52) to section 1902(a) of the Act, requiring State Medicaid plans to meet the requirements of new section 1925.

Subsection (b) amends section 402(a)(37) of the Act to provide for Medicaid eligibility in accordance with section 1925 of families who lose AFDC eligibility because of hours of or income from employment or because of time limits on earned income disregards. The amendment is effective only from April 1, 1990 through September 30, 1998 (the period during which section 1925 is in effect), after which date section 402(a)(37) shall read as it does currently. This subsection also makes conforming amendments.

Subsection (c) requires the Secretary to study, and report to the Congress by April 1, 1993 on, the impact of the eligibility extension provisions added by this section, with particular focus on the costs of such provisions and the impact on welfare dependency. The study shall examine (1) the extent to which the availability of these extended benefits affects access to and use of medical services, (2) the relative effectiveness of different types of coverage provided by States, (3) the effect of requiring families to pay premiums or incur other expenses with respect to such extended benefits, and (4) whether individuals who have exhausted such benefits recycle onto welfare for short periods in order to requalify for such extended benefits.

Subsection (d) makes a conforming amendment.

Subsection (e) extends for one year, through October 1, 1989, the four-month extension of Medicaid eligibility of families who become ineligible for AFDC because of the collection of child or spousal support payments under title IV-D.

Subsection (f) provides that--

(1) except as otherwise provided, amendments made by this section shall apply to payments under title XIX of the Act for calendar quarters beginning on or after April 1, 1990 (or, in the case of Kentucky, October 1, 1990), without regard to whether implementing regulations are promulgated, with respect to families that become ineligible for AFDC on or after such date;

(2) the amendment made by subsection (b)(3) shall take effect on April 1, 1990;

(3) the amendment made by subsection (d) shall become

effective on the effective date of section 402(a)(43) of the Act, as inserted by section 403(a) of the bill; and

(4) the amendment made by subsection (e) shall take effect on October 1, 1988.

EFFECTIVE DATES

Section 304 provides that the child care amendments of section 301 (applicable to AFDC recipients) become effective with respect to a State on the same date as do the JOBS amendments. The transitional child care provisions of section 302 become effective April 1, 1990 and terminate September 30, 1998.

TITLE IV - RELATED AFDC AMENDMENTS

BENEFITS FOR TWO-PARENT FAMILIES

Section 401(a) amends part A of title IV to require all States to have an unemployed parent (UP) program under section 407 of the Social Security Act.

Subsection (b) allows States to design their UP programs to reflect individual State needs and to emphasize education, training, and employment services. A State which does not, as of September 26, 1988, have UP programs may time limit the number of months for which a family may receive UP benefits, but it may not deny aid unless the family has received AFDC-UP in at least 6 of the preceding 12 months. The State may require up to 40 hours per week participation in the JOBS program by a parent in a UP family, and may pay aid (not less frequently than monthly) after the performance of assigned activities.

Subsection (c) allows States to treat a quarter of full-time school attendance, full time attendance in a vocational or technical training course, or JTPA participation, as a quarter of work for purposes of meeting the "recency of work" test necessary to establish eligibility for AFDC-UP. This option need not be applied State-wide.

Subsection (d) requires States to provide Medicaid for members of a UP family that would be receiving AFDC had the State not exercised its option to time-limit receipt of benefits under section 407.

Subsection (e) requires the Secretary to conduct an evaluation of both the conventional and the time-limited UP programs and submit a report to Congress by July 1, 1998, with findings and recommendations.

These amendments generally become effective on October 1,

1990 and are repealed effective September 30, 1998 (and the preexisting provisions reinstated).

✓ CHANGES IN EARNED INCOME DISREGARDS

Section 402(a) raises the monthly amount of the child care disregard from earned income from \$160 to \$175 and provides for a \$200 disregard in the case of a child under age 2. It also requires that the child care disregard must be applied after all others.

Subsection (b) raises the standard earned income disregard amount from \$75 to \$90.

Subsection (c) requires the disregard of refunds of taxes under the earned income tax credit, or advance payment of the credit.

These income disregard amendments are effective October 1, 1989.

✓ HOUSEHOLDS HEADED BY MINOR PARENTS

Section 403 would allow States to require minor (under age 18) parents to live with their own parents (or other adult relative or guardian) in order to receive AFDC benefits, unless certain exceptions applied. This amendment is effective with the first full calendar quarter a year after enactment.

✓ PERIODIC EVALUATION OF NEED AND PAYMENT STANDARDS

Section 404 requires each State to reevaluate its need and payment standards every 3 years and report the results to the Secretary and to the public. The State report must describe how the need standard is determined, the relationship between the two standards and any changes in the last 3 years.

The Secretary in turn will report the results to the Congress.

CBO STUDY ON IMPLEMENTATION OF NATIONAL MINIMUM PAYMENT STANDARD

Section 405 requires the Congressional Budget Office to conduct a study of the amendments that would be made by section 101 of S. 862, pertaining to requiring a minimum AFDC payment standard and 90 percent Federal matching. The section describes elements to be included in the study and requires a report to Congress within 12 months.

STUDY OF NEW NATIONAL APPROACHES TO WELFARE BENEFITS FOR LOW-INCOME FAMILIES WITH CHILDREN

Section 406 requires the Secretary of HHS to contract with the National Academy of Sciences for the study of a new national welfare system for low-income families with children, with particular attention to the benefit level. The section specifies elements to be included in the study and its methodology.

TITLE V - DEMONSTRATION PROJECTS

FAMILY SUPPORT DEMONSTRATION PROJECTS

Section 501 authorizes demonstration projects to test the effect of early childhood development programs, to encourage innovative education and training programs for children, and to ensure long-term family self-sufficiency through community based services. For each of fiscal years 1990 through 1992, \$6 million is authorized to be appropriated for grants to States for these demonstrations.

DEMONSTRATION PROJECTS TO ENCOURAGE STATES TO EMPLOY PARENTS RECEIVING AFDC AS PAID CHILD CARE PROVIDERS

Section 502 authorizes up to 5 States to carry out projects to test whether employment of AFDC parents as care givers will facilitate the conduct of the JOBS program. For each of fiscal years 1990 through 1992, \$1 million is authorized to be appropriated for grants to States for these demonstrations.

DEMONSTRATION PROJECTS TO TEST ALTERNATIVE DEFINITIONS OF UNEMPLOYMENT

Section 503 adds a new subsection to section 1115, requiring the Secretary to conduct up to 8 projects to evaluate the use of a standard of unemployment (for purposes of the AFDC-UP program) that allows work for more than 100 hours per month. These projects may begin after September 30, 1990, and must terminate by September 30, 1995. States must evaluate these projects and report to the Secretary; he must report to the Congress not later than 6 months after the projects are completed.

DEMONSTRATION PROJECTS TO ADDRESS CHILD ACCESS PROBLEMS

Section 504 authorizes any State to conduct one or more demonstration projects relating to activities to increase compliance with child access provisions of court orders (but no project may provide for withholding AFDC pending visitation). For each of fiscal years 1990 and 1991, \$4 million is authorized for grants to States for these demonstrations.

DEMONSTRATION PROJECTS TO EXPAND THE NUMBER OF JOB OPPORTUNITIES AVAILABLE TO CERTAIN LOW-INCOME INDIVIDUALS

Section 505 requires the Secretary of HHS to enter agreements with at least 5 but not more than 10 nonprofit organizations (including community development corporations) for demonstration projects to create employment opportunities for low-income individuals. For each of fiscal years 1990 through 1992, \$6.5 million is authorized to be appropriated for grants for these demonstration projects.

DEMONSTRATION PROJECTS TO PROVIDE COUNSELING AND SERVICES TO HIGH-RISK TEENAGERS

Section 506 requires the Secretary to enter into agreements with 4 States to conduct demonstrations to provide counseling and services to certain high-risk teenagers. For each of fiscal years 1990 through 1992, \$1.5 million is authorized to be appropriated for grants to States for these demonstrations.

EXTENSION OF MINNESOTA PREPAID MEDICAID DEMONSTRATION PROJECT

Section 507 requires the Secretary of HHS, upon the request of the State of Minnesota, to extend until June 30, 1990, the section 1115 waiver previously granted the State to conduct a prepaid Medicaid demonstration project.

TITLE VI -- MISCELLANEOUS PROVISIONS

INCLUSION OF AMERICAN SAMOA AS A STATE UNDER TITLE IV

Section 601 amends title XI of the Social Security Act to include American Samoa in the definition of "State" when that term is used in title IV of the Act.

It sets the ceiling on Federal reimbursement for any fiscal year to American Samoa under parts A and E (foster care and adoption assistance) of title IV at \$1,000,000, exclusive of funding for the JOBS program.

INCREASE IN AMOUNT AVAILABLE FOR PAYMENT TO PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

Section 602 amends section 1108 of the Social Security Act to raise the ceilings applicable to Puerto Rico, the Virgin Islands, and Guam for reimbursement under the assistance titles of the Act.

ASSISTANT SECRETARY FOR FAMILY SUPPORT

Section 603 adds a new section 418 to the Social Security Act, establishing the position within the Department of Assistant

Secretary for Family Support. That official is charged with administering the programs under parts A, D, and F of title IV. He will be appointed by the President with Senate confirmation. The amendment is effective February 1, 1989.

RESPONSIBILITIES OF THE STATE

Section 604 adds a new AFDC plan requirement. The AFDC agency must be responsible for assuring that the AFDC, child support enforcement, and JOBS programs in the State are operated in an integrated manner and that all AFDC applicants and recipients are encouraged to cooperate in child support enforcement and are notified of the related services for which they may be eligible.

ESTABLISHMENT OF PREELIGIBILITY FRAUD DETECTION MEASURES

Section 605 adds a new AFDC plan requirement. States must provide (in accordance with Secretarial regulations) appropriate measures to detect fraudulent AFDC applications prior to the establishment of eligibility. The Secretary must issue final regulations within 6 months following enactment.

UNIFORM REPORTING REQUIREMENTS

Section 606 amends section 403 of the Social Security Act to require the Secretary to establish uniform reporting requirements under which States will be required to submit information necessary to ensure that the child care requirements, the requirement to provide transitional Medicaid benefits, and the minor parents provision (added by section 403 of the bill), are being effectively implemented.

STATE REPORTS ON EXPENDITURE AND USE OF SOCIAL SERVICES FUNDS

Section 607 amends section 2006 of the Act to require State reports on its activities under the Social Services Block Grant Act annually (rather than every two years, as under current law), and to require that State reports indicate (1) the numbers of children and adults served and the services provided, (2) the amount spent, per child and per adult, in providing each type of service, (3) the criteria applied in determining eligibility for services, and (4) the methods by which services were provided, showing separately the services provided by public and by private agencies. The Secretary is required to establish uniform definitions of services for use by States in reporting this information.

MISCELLANEOUS TECHNICAL CORRECTIONS TO MEDICARE CATASTROPHIC
COVERAGE ACT OF 1988

Section 608 contains numerous minor and technical
corrections to the Medicare Catastrophic Coverage Act.

✓ EXTENSION OF QUALITY CONTROL PENALTY MORATORIUM

Section 609 amends section 403 of the Social Security Act by
adding a new subsection 403(m). During the 12 month period
beginning July 1, 1988, the Secretary may not take any error rate
reductions against States; but the quality control system and
all stages of the disallowance appeals process will continue,
other than collection of disallowances.

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W-Memo

AMERICAN PUBLIC WELFARE ASSOCIATION 1125 FIFTEENTH STREET, N.W., WASHINGTON, D.C. 20005

Memorandum W-8

October 14, 1988

FAMILY SUPPORT ACT OF 1988
(H.R. 1720/P.L. 100-485)
EFFECTIVE DATES

Memorandum W-8/October 14, 1988

Subject: FAMILY SUPPORT ACT OF 1988(H.R. 1720/
P.L. 100-485) EFFECTIVE DATES

INTRODUCTION

The Family Support Act of 1988, which was signed into law by President Reagan on October 13, 1988, contains numerous effective dates that guide state implementation of the various provisions of the bill. To assist states in planning for implementation of welfare reform, APWA has prepared the attached chart listing the effective/implementation dates of the major provisions of the Act.

A W-Memorandum on the specific provisions of the Family Support Act will soon be available to assist state and local agencies in understanding the legislation and in planning for future implementation.

JOBS PROGRAM REGULATIONS

The Job Opportunity and Basic Skills Training Program (JOBS), the new welfare education, training and employment program established by the legislation, is one primary portion of the Act that will require major program changes for many states.

The statute requires the Department of Health and Human Services (HHS) to issue proposed regulations on the JOBS program within six months after enactment (approximately mid-April, 1989) and final regulations within one year after enactment. Congress explicitly included these dates for regulatory action to enable states to implement and operate the new welfare-to-work program as quickly as possible. States are not required to have the JOBS program implemented and operating until October 1, 1990 (FY 91). States may begin, however, to operate the program on the first day of any calendar quarter beginning on or after the date on which proposed regulations are issued upon HHS approval of a state's plan. States could, therefore, begin to operate the JOBS program as early as July 1, 1989.

PLANNING FOR IMPLEMENTATION

APWA, in conjunction with the National Governor's Association, will convene a group to work with and advise HHS and the Department of Labor (which has responsibility for regulations governing work assignments, wage rates, displacement, etc.) as they develop regulations governing the JOBS program as well as other provisions of the Act. APWA will also continue to provide current information concerning this process and other regulatory issues.

Memorandum W-8/October 14, 1988

In addition, APWA is planning to conduct orientation workshops to assist states and localities in understanding the provisions and implications of the Act. One such session is planned in conjunction with the December meetings of The National Council of State Human Service Administrators and National Council of Local Public Welfare Administrators in Seattle.

* * *

Staff contact: Bard Shollenberger
(202) 293-7550
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WELFARE REFORM: EFFECTIVE DATES

<u>Provision</u>	<u>Effective Date</u>	<u>Description</u>
1. <u>Child Support and Paternity Establishment</u>		
A. Guidelines		
1. Use of Guidelines	One year after enactment	Requires judges to use state guidelines as a rebuttable presumption.
2. Review of Guidelines	One year after enactment	Requires states to review guidelines at least once every 4 years.
3. Review of Individual Awards		
a. At request of parent or, in an AFDC case, at the state's request	Two years after enactment	State must review child support award at request of either parent. State may review an AFDC case.
b. Periodic review	Five years after enactment	States must review AFDC cases at least once every 3 years. Other cases must be reviewed every 3 years at request of parent.
B. Establishment of Paternity		
1. Performance Standards	Upon enactment	IIIIS to set standards. Beginning in FY 92 states paternity standards must be at least 50% or equal or exceed average for all states, or have increased 3% from FY 88 to FY 91 and by 3% each year thereafter.
2. Use of Genetic Tests	First day of first month One year after enactment	States must require the child and other parties in contested cases to submit to genetic tests

3. Enhanced match for Paternity Establishment	Retroactive to 10/1/88	Provides 90% federal match for paternity laboratory tests.
4. Civil Process	Upon enactment	States encouraged to adopt simple civil procedures for voluntarily acknowledging paternity.
5. Paternity Establishment for children under 18	Upon enactment	Establishment of paternity made applicable to any child for whom paternity is not established and any child for whom paternity action was dismissed because of statute of limitation of less than 18 years was in effect. Effective retroactively to August 16, 1984.
C. Visitation/Custody Demonstrations	Upon enactment	Authorizes \$4 million in each of FY 90 and 91 to finance state demonstration projects to improve compliance with child access provisions of court orders.
D. Prompt State Response	Upon enactment	HHS must issue proposed regulations within 180 days of enactment and final regulations within 10 months after enactment to set time limits in which states must accept and respond to requests for assistance in establishing and enforcing support orders.
B. Requirement for Automated Tracking and Monitoring Systems	Upon enactment	Requires states that do not have an automated system to submit by October 1, 1991 an advance planning document to HHS. HHS must approve the document within 9 months. By 10/1/95 every state must have a system in place. 90% federal match ends at that time.

F. Interstate Enforcement

1. Commission on Interstate Enforcement

Establishes commission by July 1, 1989. Report due by May 1, 1991.

2. Interstate Demonstration Grants

1st calendar quarter
1 year after enactment

Excludes amounts spent by a state for an interstate demonstration project.

3. Use of Interact

1st calendar quarter
1 year after enactment

HHS and IXDL to enter an agreement to give the Federal Parent Locator Service full access to wage and unemployment information. States must cooperate in making information available.

G. Wage Withholding

Two-years after enactment

Immediate wage withholding on all new or modified IV-D cases on the 1st day of the 25th month after enactment. Two years after enactment other IV-D cases would be subject to immediate wage withholding upon request of custodial parent or if the state determines it is appropriate. Two years after enactment all AFDC IV-D cases would be subject to immediate wage withholding. Beginning January 1, 1994, immediate wage withholding would apply to all orders issued on or after that date.

H. Use of Social Security Numbers

1st day of 25 month after
enactment

Each parent required to furnish social security number with birth documents.

I. Notification of Support Collected

1st calendar quarter beginning
4 years after enactment

States required to inform AFDC families of support collected on a monthly, rather than annual, basis. States may provide quarterly notice if HHS determines that monthly notification would be an unreasonable burden.

ii. Job Opportunity and Basic Skills Training Program

- | | | |
|----------------------------------|-----------------------|---|
| A. Effective Date | Upon enactment | States required to have JOBS program in place by October 1, 1990 (FY 91). States may choose to begin to operate program on the first day of any calendar quarter beginning on or after the date on which proposed regulations are issued. |
| B. Regulations | Upon enactment | Proposed regulations must be issued by HHS within six months after enactment. Final regulations must be issued by one year after enactment. |
| C. Statewide Program | Upon enactment | Not later than 2 years after the mandatory effective date of implementing the JOBS program (10/1/90), states must operate the program in all subdivisions of the state where it is feasible to do so. In other words, the program must be in operation state-wide by 10/1/92 (FY 93). |
| D. Federal Administration | Upon enactment | By February 1, 1989, the administration of JOBS, child support, and AFDC would be administered by a new Assistant Secretary of HHS. |
| B. State Administration | Upon enactment | Requires state IV-A agency to be responsible for JOBS program. Effective July 1, 1989,, requires IV-A agency to be responsible that cash benefits,, child support, and JOBS services are furnished in an integrated manner. |
| F. Performance Standards | Upon enactment | No later than 3 years after the mandatory effective date of JOBS (FY94), HHS must develop and submit to Congress performance standards for JOBS. |

III. Supportive Services and Transitional Benefits

- | | | |
|---|-----------------|--|
| A. Child Care During JOBS Participation | Upon enactment | Guarantees child care for participation in JOBS program. Federal reimbursement available for child care at state Medicaid matching rate up to local market rate. States would implement along with JOBS, no later than 10/1/90. |
| B. Child Care Transition | Upon enactment | Child care transition of 12 months on a sliding fee scale available beginning April 1, 1990. Child care transition terminates (sunsets) September 30, 1998.

HHS required to study effect of transition and report to Congress by 10/1/91. |
| C. Medical Assistance Transition | Upon enactment | Medical assistance transition of 12 months available beginning April 1, 1990. Transition terminates (sunsets) September 30, 1998.

HHS required to study transition benefits and report to Congress by April 1, 1993. Congress required to hold hearings within 60 days and take action on the findings of the report. |
| D. Transportation and Work Expenses | Upon enactment | Effective when JOBS is implemented. States required to cover work related expenses to enable participation in JOBS. No federal limit on costs, matched at 50% rate subject to JOBS program cap. |
| B. Income Disregards | October 1, 1989 | Increase standard disregard from \$75 to \$90 per month and increases child care disregard from \$160 per month to \$175 per month per child age 2 and older and \$200 per month per child under age two. Child care disregard would be calculated after other disregards have been applied. |

IV. APDC Provisions

A. APDC-UP

1. **Effective Date** October 1, 1990

Effective 10/1/90 (FY91) states would be required to implement an APDC-UP program. States beginning the APDC-UP program could choose to limit benefits to no less than 6 months in a 12 month period. States operating a UP program on September 26, 1988 must continue to operate programs without time limitation through September 30, 1998. APDC-UP provision terminates (sunssets) September 30, 1998. Effective date for APDC-UP mandate in American Samoa, Guam, Puerto Rico, and the Virgin Islands is 10/1/93.
2. **Study** July 1, 1997

Requires HHS to study affects of APDC-UP mandate and report to Congress by July 1, 1997.
3. **APDC-UP Work Requirement** Effective 10/1/93 (FY94).
- B. **Minor Parents** 1st calendar quarter
1 year after enactment

Allows states, at their option, to require minor parents who have never married to receive assistance only if they live with a parent or in a supportive living arrangement. Maintains current law requiring counting of income of the parents of a minor parent.
- C. **Need and Payment Standards** Upon enactment

Requires states to reevaluate need and payment standards every 3 years.
- D. **Alternative Benefit Proposals** Upon enactment

Requires the National Academy of Sciences to study alternative benefit proposals including the Family Living Standard (FLS). A report is due 24 months after enactment.

Also requires CBO to study and report to Congress within 12 months of enactment, the implementation of the U.S. ...

Act of 1987 including effect of repealing
certain federal low-income programs in
exchange for increasing federal match
for AFDC and Medicaid.

H.R. 1720

THE FAMILY SUPPORT ACT OF 1988

SENATOR RICK UEHLING
Capitol Room 516
465-4821

Report for H.R.1720
As finally approved by the House and Senate (Enrolled)
Complete Text of this version

KEY: ((...)) indicates struck-through text in printed version
{ { ... } } indicates bold parenthesis (usually numbered Senate amendments)
[[...]] indicates bold brackets in printed version

H.R.1720
One Hundredth Congress of the United States of America
AT THE SECOND SESSION
Begun and held at the City of Washington on Monday,
the twenty-fifth day of January, one thousand nine hundred and eighty-eight

An Act

To revise the AFDC program to emphasize work, child support, and family benefits, to amend title IV of the Social Security Act to encourage and assist needy children and parents under the new program to obtain the education, training, and employment needed to avoid long-term welfare dependence, and to make other necessary improvements to assure that the new program will be more effective in achieving its objectives.

=====

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- (a) Short Title.--This Act may be cited as the "Family Support Act of 1988".
- (b) Table of Contents.--The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I--CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

Subtitle A--Child Support

- Sec. 101. immediate income withholding.
- Sec. 102. Disregard applicable to timely child support payments.
- Sec. 103. State guidelines for child support award amounts.
- Sec. 104. Timing of notice of support payment collections.

Subtitle B--Establishment of Paternity

- Sec. 111. Performance standards for State paternity establishment programs.
- Sec. 112. Increased Federal assistance for paternity establishment.

Subtitle C--Improved Procedures for Child Support Enforcement and