THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

The Continual Changes to Policy that Change Who Benefits

An Honors Thesis (HONRS 499)

by

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Abstract

The purpose of this paper is to develop an understanding of The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193). This legislation is important because changes that were made in its enactment reflect changing social beliefs about the impoverished and an appropriate policy response to them.

There are important features in understanding The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193). The first point is understanding that politics and policy is a continual and gradual process that evolves through time. The second point is that in The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 reflects the government devolution of administrative power from the National level to the state and local levels. Third, the effects of this enactment has implications for who benefits and who loses. Change in the administration of policy has consequences for substance of policy.

This paper develops these points by explaining the history of welfare in the United States. With an historical backdrop, this paper will inquire into the certain titles and select passages of the Work Opportunity Reconciliation Act of 1996. Given these changes, three states will be examined to understand how they are administering their programs. Third, a critical evaluation will be made of the Act to determine if the net effect of the passage of this bill on society.
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Introduction

The purpose of this paper is to provide an understanding of The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. There are a number of key provisions that define it. More broadly, an understanding that any government program begins with plethora of bills years before they are enacted upon is basic. Then, after initial enactment, Acts are continually refined, redirected, reduced and re-enlarged. That process is on going. The same process is driving The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. It is actually just a modification of the Social Security Act of 1935.

The main change to welfare, produced by The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193), is that the power of administration has been devolved to the state and local levels of government. This organizational and administrative change effects the substance of the program. This paper accounts for those effects. The paper will examine the principles involved in assessing the Act as it alters beneficiaries and perceptions of them.

This examination will be introduced by a brief historical overview of welfare in the United States. An analysis of contents of the Act with emphasis on the principles and reasons behind select Titles and issues will be presented. Investigating the implementation of the bill will be done by first presenting projected effects in the United States. Then, a select group of three states will be scrutinized as they develop their
programs in response to the Act. Lastly, the Act will be evaluated. This evaluation will be conducted to ascertain the degree to which current welfare reform is an improvement or detriment to society.

History

Throughout time governments have been called upon to care for their citizens. In times of crisis the calls are louder. In times of plenty, fewer people need help and the call is not as loud. This section will outline welfare policies in the United States. It will demonstrate why and how they began. Then it will proceed by providing incremental steps that redirected its purpose into other areas.

Welfare began in the United States during the Great Depression, a time of crisis. Most elderly Americans were at income levels below the poverty line. One of the programs that President Franklin D. Roosevelt spearheaded to ease that burden was Social Security. In a message to Congress on June 8, 1934, he announced his proposal to address the issue of the elderly Americans in poverty. He then used his executive powers to create the Committee on Economic Security. Their job was to investigate possibilities of government intervention on behalf of the elderly. That Committee examined economic insecurity and provided a report detailing their findings.

In January of 1935 the Committee on Economic Security presented their report to the President and he proposed the report to Congress. That report contained the genesis of contemporary Social Security, unemployment insurance, old-age assistance, aid to
dependent children and grants to the states to provide various forms of medical care. On August 14 of 1935 the substance of the report was signed by the President into law.

The law created the system known as Social Security and was administered by a Social Security Board. During the early years of the plan, this Board created the initial infrastructure that made it possible to distribute the lump-sum and then monthly benefits to retiring contributors. The Social Security Board established the Federal Insurance Contributions Act (FICA) taxes and Special Trust Funds to hold the revenue.

The first change in this initial system occurred four years later. In 1939, an Amendment to the 1935 Act expanded the economic security program. The original 1935 Act only protected the worker. The 1939 Amendment enfolded the family, thereby extending protection to additional eligible citizens. The Amendment extended benefits to the spouse and minor children of the retired worker and it extended benefits to the family if the worker died prematurely.

The program remained largely intact through World War II, but was revisited the early 1950s. Then major problems came to be discovered with Social Security. The intention of Social Security was that it would be a part of a retirement plan. The old-age assistance program was actually giving higher benefits to more people than Social Security. However, the Social Security benefits were seen as too low. Soon thereafter, Congress enacted a number of amendments that changed the amount of Social Security benefits. The changes included increasing the amounts being paid in FICA, how much was being paid out of the Special Trust Funds, and Cost Of Living Adjustments
(COLAs) were introduced.

COLAs were adapted in 1950. The first adjustment tried to make up for inflation since its inception in 1935. The first COLA increased basic benefits by seventy-seven percent. The second increase in 1952 was twelve percent. The third increase was in 1954 was thirteen percent. Those increases substantially elevated the amounts that recipients received.

Also during the mid 1950s, disability was addressed, thus, directing the program into another new area. The initial change was in 1954, under President Eisenhower's administration. Congress allowed workers to keep their Social Security benefits due to long terms of disability. In 1956, benefits were added for disabled workers ages 50-65. By 1958, the scope of the disability program encompassed workers of all age groups and their dependents.

Seven years later in 1965, Medicare was passed. This gave the Social Security Administration (SSA) the additional task of providing medical coverage to almost all United States citizens ages 65 and older. This Amendment is important because it is the first time that medical benefits became guaranteed to any group by the Federal government.

In addition in 1972, Congress Federalized three different areas of adult welfare. Thus Congress incrementally changed the program again. The original 1935 Act had delegated to states the responsibility of providing some programmatic benefits to needy aged people and blind individuals. In 1972, the national government assumed the
responsibility. The other group of people to be added was the needy disabled people that Congress had included during the 1950s. Congress Federalized these programs and directed the SSA administer them.

Since 1972 the Supplemental Security Income (SSI) program has been extended to many people with increasing costs. Table I gives a summation of these changes rate of growth since 1974. The table illustrates the magnitude of the SSI program, the number of people affected, and, the amount of money involved.

**Table I:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Beneficiaries</th>
<th>Payments*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>3,249,000</td>
<td>$5,096</td>
</tr>
<tr>
<td>1975</td>
<td>4,360,000</td>
<td>$5,716</td>
</tr>
<tr>
<td>1980</td>
<td>4,194,000</td>
<td>$7,714</td>
</tr>
<tr>
<td>1985</td>
<td>4,200,000</td>
<td>$10,749</td>
</tr>
<tr>
<td>1990</td>
<td>4,888,000</td>
<td>$16,132</td>
</tr>
<tr>
<td>1995</td>
<td>6,514,000</td>
<td>$27,037</td>
</tr>
<tr>
<td>1996</td>
<td>6,613,000</td>
<td></td>
</tr>
</tbody>
</table>

*in Millions of Dollars

In 1994 the Social Security Administration was reorganized. Social Security was made an independent program distinct from other welfare programs that it had spawned. Since 1994, the SSA only concerns itself with Social Security, Supplemental Security Income, Disability Insurance (DI), and Old-Age and Survivors Insurance (OASI). (www.ssa.gov) Aid For Dependent Children (AFDC), Medicaid, unemployment
insurance, and other programs are no longer administered by the SSA.

In 1996, many forces converged on Social Security. They included negative attitudes of most Americans toward the welfare program. A Democratic President pledged to change the face of welfare forever. A Republican Majority in Congress created the "Contract with America", designed to rely mainly on individual responsibility. Lastly, the United States deemed that it was time to balance the national budget. In order to balance the budget, in an era of no new taxes, cutting programs became a necessity. Welfare was on the list.

Legislation united these forces in a 502 page bill entitled The Personal Responsibility and Work Opportunity Reconciliation Act (PL 104-193). (Tubbesing 12) The overall projected impact on the Federal government is that it would save $54 billion over six years. (Tubbesing 12) The actual impact that it will have on the United States society is unknown, although preliminary assessments of a number of states are beginning to appear.

Enactment

The Personal Responsibility and Work Opportunity Reconciliation Act is a comprehensive bill reorganizing many aspects of the welfare system in the United States. There are nine Titles to the bill. They encompass Temporary Assistance for Needy Families, Supplemental Security Income, Child Support, Welfare for Aliens, Child Protection, Child Care, Nutrition Programs, and Food Stamps. A Final Title addresses
how each state must change their laws to conform to National standards. (Tubbesing 18)

A comparative summary of the changes caused by this bill is provided in Appendix A. This table provides a comprehensive look at some of the individual titles in The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193).

The main change is that Temporary Aid to Needy Families (TANF) is a block grant that consolidates previous welfare programs administered by the states with Federal funding. (Tubbesing 18) Under Aid for Dependent Children (AFDC), money was distributed to the state according to a formula reflecting how many people were on its AFDC rolls. AFDC was an individual entitlement from the National government. Under PL 104-193, the state can use all the Federal money immediately and run out before the end of the year or they can reduce costs and have a surplus at the end of the year.

There is now an incentive to the state legislators to reduce the people on the welfare rolls. Fewer people mean that the saved money can be accumulated without negative sanctions against the state, the threat of withdrawal of Federal funds has been removed. States are able to accrue the interest off those accounts without any obligation to the National government.

One of the issues brought about by block benefits was the formula used to determine the amount that each state received. The original formula to determine the amount that a state was based on AFDC. Each state would receive as TANF the largest amount of AFDC that they had received in the previous few years.
A failed Amendment was offered by Senators Graham and Bumpers. They believed that each state should receive an amount proportional to the amount of people receiving AFDC. They believed that it was more equitable because states were not receiving less money for having reduced their caseloads, nor for reducing their administrative costs in the recent past.

Opponents to the Amendment had other thoughts. Senator McCain pointed out that the original plan recognized that at the state level, differences in cost of living and historical records of generous welfare benefits were taken into account.

A decision that was made by the Congress was who would control (at the state level) administration of these programs? When the proposal was first introduced, Governor and the administrators were identified as state officials responsible for administering these reforms. Former Colorado Senator Hank Brown argued that the checks and balances of many legislators would provide better policy than a lone governor. Supporters of the Brown Amendment appealed to Congress's legislative pride and discussed the implications about allowing the executive branch the power of the purse. Another argument was that with the smaller legislative constituency, they better represent and therefore better understand the needs of their districts. The Brown Amendment was passed letting legislators have first say in where the money would be distributed. (Tubbesing 17)

TANF is harsher to recipients than AFDC. The time constrictions (such as the 5 year lifetime limit), ineligibility of legal aliens, and the block grant limiting resources,
all converge upon recipients by denying what had been an entitlement. As resources dwindle and state discretion increases, state, non-profits, and/or individuals must fill that gap that Federal funding has left void.

Although The National Conference of State Legislatures (NCSL) endorsed The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, they did have some reservations. One of their main objections was the treatment of legal aliens. Their argument was that the care of that portion of the public was now shifted to the states. According to the NCSL, this should not be allowed, due to the Unfunded Mandate Reform Act of 1995.

Legal aliens receiving benefits is an area that has received much attention and debate. The treatment of legal immigrants in the United States has been controversial. Some argue that many legal immigrants come to the United States solely to receive welfare benefits. Senator Santorum noted that many sponsors were not living up to their contractual obligations to take care of the immigrants thereby allowing them to become wards of the government. Because of that belief and the fact that cutting legal immigrants from welfare benefits would help to balance the budget, specific provisions addressing aliens were added. PL 104-193 would:

- Bar noncitizens from Food Stamps and SSI by Aug. 22, 1997, unless they can prove either a 10-year work history, military service or that they have had refugee status in the United States for less than 5 years.
- Bar immigrants arriving after Aug. 22, 1996, from Federal means-tested programs for five years and then, until citizenship is attained, apply their sponsors’ income if they apply for social services.
• Bar undocumented or illegal immigrants from most Federal, state and local public benefits unless a state law is enacted to provide them. (Tubbesing 16)

As a result of the imposition of these more restrictive measures there has been a surge of over 1 million new citizens by naturalization. (Fragomen 1095) The reason for this surge of naturalization is generally traced to the fact that most of those people did not wish to lose their government benefits. The naturalization procedure would be initiated to escaped the intentions of the authors of the Act.

Opponents of the provision had another viewpoint. Senator Feinstein from California noted that provision would leave many aged, blind, and elderly without help. The cost to Los Angeles County alone, she argued, would be close to $500 million.

Enactment enfolds a variety of other small changes with large impacts. These changes include a variety of small organizational changes. Some have impacts outside the government. This includes the allowing state and local governments to utilize churches and other faith organizations to reach their recipients.

One of the surprises of the reform is the restructuring of how social help is distributed in cooperation with non-profit organizations. One of those ways has been through organized religious groups in states. In the past a faith-based group was unlikely to receive government funds to help its community service efforts. Those efforts had to be indirect through establishing a different organizational units independent of a religious component. The church, or group of churches, would establish an independent organization. Once that second organization was established it could then receive help
from both the church and the state, thereby keeping its social services separated from its religious components of sectarian worship, instruction, or proselytization. (Davis 723)

U. S. Senator John Ashcroft proposed legislation that addressed this relationship. He received this idea from Carl Esbeck, a law professor at the University of Missouri in Columbia. The idea behind this change comes from Esbeck’s paper that he sent to Ashcroft’s office. The idea is that churches should be treated, “... on the same basis as any other non-governmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of the beneficiaries”.

(Frame 47)

Worries abound about this partnership between church and state. Churches are afraid of losing their identity. Government is afraid that Churches will force religion upon those that go to receive help. (Frame 47) However, the two sides have come to an uneasy compromise. The faith organizations can directly use government money for their social work as long as they do not force religion on the recipients. (A list of restrictions and regulations is in Appendix B: List I)

Not all denomination and not all government watch groups are happy with this arrangement. Some denominations are still skeptical about the role that the government will play in trying to discourage their exercise of religion. That is a valid caution due to past governmental regulation that seemed to be restrictive of the free exercise of religion, yet extol the religious protection of the beneficiaries. Government watch groups are also upset. They see that this integration of church and state in unconstitutional and unhealthy
for both the churches and the government. (Davis 722) One of the main fears is that by allowing churches to play a role in state affairs, church ideology will influence decisions by the state or the state becomes a hand maiden in converting citizens to religious dogma, thereby nullifying the establishment clause of the First Amendment.

Another organizational problem that must be overcome is the variety of programs that can be implemented due to the purposeful vagueness of the Enactment. Each state must decide what their goals for their programs are and how to administer these programs. Consequently, each will have a different measure of success in achieving their own goals.

TANF limits money from the Federal government but gives more latitude in the control states have over their programs. (Tubbesing 12) It is now up to the states to determine who is eligible. They decide the benefit levels of their citizenry. They decide and set the conditions for receiving assistance. They choose to emphasize work preparation, household maintenance, or higher education. They review case management. They are the ones who are now able to consider problems in transportation and child care. (Tubbesing 15) They are designing strategies and payment standards for their recipients. They are creating ways of offering financial incentives for employment. States also have the power to deny assistance to certain groups of people. (Pantazis 11) For example, Oregon will not give cash benefits to anyone who does not participate in the JOBS program. It is the states that decide a lot of small details that let them craft a policy that is more suited to their state. It is that flexibility that the states can use to
create policy.

The result of all of this is not surprising. With these new found powers the states have adopted a variety of policies. For instance, over one-third of the states have already made their time restrictions more stringent than Congress mandated. (Jencks 34) To the other limit, other states are using state money to supplement welfare recipients not covered by Federal funding. In efforts to streamline programming, almost all states are reorganizing their programs by consolidating them. PL 104-193 allows states to establish extra requirements to receiving aid. They may also use their own discretion to exclude certain portions of the citizens from benefits who failed to meet programmatic standards. States also receive Federal funds to organize and administer programs for recipients.

There are still some strings attached to receiving National funds. States have work requirement goals set for them in order to receive full payment from the Federal government. One of those goals is to meet a minimum standard of twenty-five percent of head of household working while on TANF the first year. The Federal government wishes that percentage to go up to fifty percent by FY 2002. (Tubbesing 16) States may require higher goals at their own discretion.

Effects

The Social Security Act of 1935 has been changed again, this time by The Personal Responsibility and Work Opportunity Reconciliation Act. In order to understand how devolution from the National to the state and local levels impacts society
one must understand the implications of devolution. One of the main areas that was changed was eligibility requirements for almost all state welfare programs. States can make those requirements more stringent or can use state funds and encompass more people. However, without altering the Federal guidelines the following are projectioned effects at the state level.

Medicaid is linked to these problems. Although The Personal Responsibility and Work Opportunity Reconciliation Act does not modify Medicaid, it does change who receives its benefits by indirectly changing eligibility. Medicaid eligibility was linked to Aid for Dependent Children (AFDC), Supplemental Security Income (SSI), and the elderly. An individual who qualifies for assistance under those programs automatically qualifies for Medicaid. Those people who were AFDC eligible at the time of enactment are still able to receive Medicaid. It is important to remember that cutting out segments of our population who would have been eligible for AFDC and SSI (but not under TANF) means that they also will no longer be eligible for Medicaid. (Keigher 305)

That segment of the population that changes effect and cannot now receive Federal funding includes 4 million adults, 1.5 million teenagers, and almost 65,000 grandparents who care for minor children. Another hard hit population will be the 65,000 elderly legal immigrants currently in nursing homes who are about to lose their Medicaid. (Keigher 306) Approximately 1 million children will also lose benefits. (Keigher 304) Changes in diagnosing disability will terminate SSI eligibility for over 300,000 children. In addition 350,000 poor older people and 150,000 disabled people will also lose their
SSI benefits. Another 47,000 adolescents will be taken off SSI eligibility due to another change in the law. (Keigher 306) Those people on Food Stamps will be taken off the rolls at a rate of 1 million upon their next review. Those who retain their benefits will receive less due to devaluation of Food Stamps by the government over the next six years. (Keigher 305)

Although those projections seemed grim, each state changed the program in their own unique way. Following the enactment of The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, states were given additional legislative and administrative responsibilities. How they administer their programs changes their impact. The effects of Federal mandates on states will not be know until after the states have fully implemented those changes. Nevertheless, there are preliminary indications of those impacts.

Soon after enactment some states, including California, New York, Colorado, Ohio, Indiana, and North Carolina were considering a second wave of devolution. These states could send block grants to the county level and allow them to develop their own programs. (Pantazis 11) Such local programs, it is believed, would reflect the best knowledge available for customizing a program to suit the needs of a particular community. There are reservations that local levels do not have administrative experience needed to efficiently manage these programs. (Pantazis 12) Another fear is that the local governments will discontinue some or all programs.

Within this flexible program, all states customized their programs addressing
these changes. The three states that will be viewed here will be Oregon, Indiana, and Texas. All three are geographically diverse. Oregon was selected due to its progressive role in welfare and its location in the Northwest. Indiana represents the Midwest. Texas was selected because of its location on the border in the Southwest.

OREGON

Oregon’s pride in its Department of Human Resources, Adult and Family Services, seems well founded. Its caseloads have dropped forty percent from 1994 to 1998. It has helped place 34,400 people into jobs with starting salaries of $6.14 an hour, this biennium.

A large part of its success can be attributed to State Bill 1117 (SB1117). That bill mimics many the provisions of The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193). The biggest difference between the two laws is how SB1117 emphasizes and requires its programs. Cash Benefits requirements mandate JOBS participation. However, time spent on JOBS does not count off Oregon’s 2 year limit (compared to the Federal mandate of 5 years). Every individual who receives cash benefits is required to receive treatment for substance abuse or mental health in SB1117 if referred. However, PL 104-193 does not allow treatment for drug-related felons.

Legal immigrants also receive better, more progressive treatment in Oregon than outlined in Federal legislation. Cash Benefits are allowed to all immigrants as long as they participate in the JOBS program. Furthermore, Oregon will provide Medicaid to all
legal immigrants allowed under TANF without extra state restrictions.

INDIANA

Indiana has developed a comprehensive plan. It has set many practical programs in place to administer welfare to the state recipients. These goals of Indiana’s Department of Workforce Development’s (DWD) Welfare to Work (WtW) is to coordinate resources to enable people to become more self-sufficient and enable non-custodial parents to increase their earnings.

Indiana has a wide range of programs (Appendix B: List II) and groups to support those efforts (Appendix B: List III). The State of Indiana has identified several activities that it can do that have proven successful in moving people off welfare. Indiana will try to implement these programs to streamline their efforts. The first is Wage Subsidies for Work Experience. That program gives people more of a financial incentive to work. On-the-Job-Training programs are a main component.

Wage Subsidies for Work Experience allows individuals to retain some benefits while working. On-the-Job-Training subsidized the pay of recipients, thereby reducing the cost of employment on the employer.

Other ways that communities are allowed to help their recipients are to get them involved in Community Service Programs. They can contract out to get them help with Job Readiness and Job Placement and Post-employment Services. The Post-employment Services may include basic education skills training, occupational skills training, English as a second language, and mentoring.
Although Indiana has detailed the different aspects of its plan, it has not supplied any statistics on the effects of its plan.

TEXAS

Another state that has detailed its plan but has not proved its effectiveness is Texas. The Lone Star State is positioned next to the border with Mexico. This has given it different problems from those states in the interior. Texas has also formulated unique solutions to problems that all states are facing.

Texas has two unique provisions. They are Refugee Services and Repatriation. Refugee Services program is to help refugees to become self-sufficient. The programs include English as a second language, employment services, and translation and interpretation. Repatriation is for United States citizens without available resources that are in the United States due to a crisis in a foreign nation. It gives immediate help in the areas of food, lodging, and medical care.

Texas has broadened its eligibility for Medicaid. Not only does Texas provide for recipients who meet Federal regulations, it also provides it for those not eligible for Federal help. (For full eligibility requirements see Appendix B: List IV) Some of those groups include children born before Oct. 1, 1983, who are eligible for Medicaid if the family meets the TANF income and resource limits and Independent children under age 6 born after Oct. 1, 1983, may be eligible when they do not live with a close relative.

Another expansion of coverage of Medicaid benefits is the Medically Needy Program that is figured by Texas' Spend Down process. The criteria for eligibility
includes that the individual must be a US citizen or meet TANF criteria for legal immigrants. Secondly, they must meet the TANF resource criteria. Thirdly, they must be responsible for medical bill equal to the difference between net income and the chart figure for their family size. This liability is called the Spend Down. Although the household’s income is used to determine the family’s Spend Down, there is no maximum income limit. Furthermore, they must meet the income limits listed in the chart below.

Table II:

Texas Spend Down Chart

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Income Chart</th>
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<tbody>
<tr>
<td>1</td>
<td>$104.00</td>
</tr>
<tr>
<td>2</td>
<td>$216.00</td>
</tr>
<tr>
<td>3</td>
<td>$275.00</td>
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<td>8</td>
<td>$475.00</td>
</tr>
<tr>
<td>9</td>
<td>$532.00</td>
</tr>
<tr>
<td>10</td>
<td>$567.00</td>
</tr>
</tbody>
</table>

(http://www.dhs.state.tx.us/regops/reg07/pgmdfrdc.htm)

The way that the expenses are figured is simple. Those that have applied and receive benefits simply take their Total Monthly Earnings deduct $90 for Work-related Expenses and then deduct the figure from the table figure for household size. The result is how much a family is suppose to pay of their medical bills. Medicaid will pay the rest.
Table III:

Example of Spend Down

<table>
<thead>
<tr>
<th>Monthly earnings</th>
<th>$500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Expense</td>
<td>-$90</td>
</tr>
<tr>
<td>From Chart (3 people)</td>
<td>-275</td>
</tr>
<tr>
<td>Spend Down Amount</td>
<td>$135</td>
</tr>
</tbody>
</table>

In this example, if an emergency happened and the family received a $2000 medical bill, then the family of 3 making $500 a month would pay $135. Medicaid would pay the $1865 that would be left. (http://www.dhs.state.tx.us/regops/reg07/pgmdfrdc.htm)

The TANF program that was outlined by the Federal Government is also implemented by Texas. (For a full listing of the criteria for eligibility see Appendix B: List V) The eligibility criteria appears to be the same. However, the client responsibilities include both a written agreement and a specification of penalties for failure to uphold those agreements. Some of the agreements include child support requirements ($78 penalty) and participating in parenting skills classes, if referred ($25 penalty).

Texas has broadened the scope of its welfare policies slightly to incorporate more groups under its care. However, those receiving benefits also have more responsibility placed upon them in order for them to keep receiving them.
Evaluation

There are many different opinions concerning the net effect of the Work Opportunity Reconciliation Act of 1996. The states seem to have taken the responsibility that was handed to them and crafted reasonably workable plans to address their needs. However, there are many people who have other worries. Their worries are based on areas that the Act was not written to cover.

One of the concerns about The Personal Responsibility and Work Opportunity Reconciliation Act is the net negative effect it will have on people in the short run. It may be that they will be a large exodus of people getting off welfare and trying to join the labor force. With all of the people seeking jobs there will be a shortage of jobs and the pay rate will fall for those that do find a job. (Hout 513) The Personal Responsibility and Work Opportunity Reconciliation Act will actually lower the wages of the working poor. (Hout 513) This is a concern because the purpose of the Enactment is to get people self-sufficient. If there is too many people seeking low-skill jobs the effect will be a suppressed wage for those people increasing the ranks of the working poor.

Those predictions are made by viewing the lower paying jobs in the United States and assessing what would happen if such an exodus of welfare recipients into low paying jobs began. One obvious problem is that there are 9.5 million Americans currently working at jobs with salaries below the poverty line. What will happen when the low wage labor market is swamped with former welfare recipients and wages fall? (Hout
There have been studies of non-college educated women and amount of welfare benefits. It shows that for every $100 that is cut from that benefit package the average wage for that group wages go down three percent. Those studies were done by Elaine McCrate and were published as “Welfare and Women’s Earnings” in Politics & Society December 1997. (Hout 513) This shows that an increase in the number of people in a certain strata of the workforce will cause a decrease in the pay for that strata. One of the main goals in Oregon, Indiana, and Texas is to increase the skill level of recipients to augment this increase of people in the workforce.

Another possible solution is that the United States can raise the minimum wage. (Hout 515) Raising the minimum wage would increase the pay of these workers. If the minimum wage was increased enough, then everybody with a full time job would be receiving paychecks large enough to keep them out of the ranks of the working poor. But the issue then become a reduction of jobs carrying a higher pay scale.

One of the main reasons that many people do not go where the jobs are is lack of transportation. There are areas where there are more jobs than workers. However, public transit is not available. That is one of the new challenges for the state welfare programs that the Enactment did not encompass.

Another challenge to those programs is child care. Affordable child care is not adequate in some areas of the United States. State programs are finding the necessity to provide some assistance for recipients to find and pay for child care. Without child care
assistance working mothers cannot leave their children.

There are other areas that the Work Opportunity Reconciliation Act of 1996 did not take into account. There are some possible trouble spots for the enactment. The different treatment of citizens and legal immigrants is one of those sections. The constitutionality of this section may be challenged. It is contended that the Equal Protection Clause of the 14th Amendment stops the distinction of legal alien and native for legislative purposes. That point was made when the Court heard *Graham v Richardson* in 1971. *Graham v Richardson* held that the state could not distinguish between legal aliens and natives. However, the national legislative branch was given that authority according to *Mathews v Diaz* in 1976. The understanding of the Court was that the Congress was given that power through the naturalization and immigration power that it already possessed. Congress mandates to the state legislative to make this distinction. (Harvard March 1193) Congress is forcing states to make this distinction which may open an additional round of state-by-state litigation.

If this argument is taken into court, the result could be that the discrimination against legal immigrants can be ruled unconstitutional. That would restart the reform process over again. That is because the savings created by eliminating legal aliens accounts for about one-fourth of the savings in this bill. The reforms in The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 are mainly to eliminate people from welfare in order to reduce the deficit. Congress will be required to review welfare again and find other ways that cuts can be made.
In summation, Work Opportunity Reconciliation Act of 1996 made drastic and unconventional changes to welfare in the United States. The devolution of administrative control to the state and local levels dramatically altered the programs. Those alterations by the states change who receives benefits and at what price. However, it will not be the last reform movement. Congress will continually struggle with balancing the budget. Congress also has more issues to try to solve concerning child care, transportation, and legal immigrants. But for now, it seems the equilibrium has come to rest at the state and local levels for them to create and administer programs for the good or ill of their constituencies.
Appendix A

Comparison of the 1996 Welfare Reform Act

(HR 3734; PL 104-193) with Laws "Current" in August 1996

The Welfare Reform Reconciliation Act of 1996 eliminates the Aid to Families
with Dependent Children Federal (AFDC) entitlement program and replaces it with a
block grant giving States the fundamental role in assisting needy families. The Act
creates a single capped entitlement to states, called Temporary Assistance for Needy
Families (TANF), that block grants AFDC, Emergency Assistance (EA), and JOBS.
The block grant will be fixed at about $16.4 billion per year for each year from FY 1996
through 2001. The Act also sets up contingency funds for states experiencing above-
average population or caseload growth, and it sets up a loan fund for states (with a 3-year
repayment requirement). States' individual block grants will depend on their spending
over the past few years. Federal TANF program spending will be limited to families on
assistance for five years or less (over a lifetime), subject to a 20 percent caseload
exemption, and states will need to ensure Federally-established work participation
requirements for their caseloads. States will be required to maintain at least 75 percent of
their 1994 spending, and there are rules governing continuation of Medicaid coverage.

The Act also makes substantial reforms in the Food Stamp Program, the
Supplemental Security Income disability program, and benefits for noncitizens. Food stamp benefits are limited for childless individuals, and all future benefits will be lower because of changes in the program's benefit and expense deduction indexing provisions. Children eligible for SSI under the Individual Functional Assessment test will no longer get benefits. Legal immigrants will lose Federal assistance (SSI and Food Stamps) unless they and/or their spouse have worked for a total of 10 years (and not received benefits). States will be permitted to eliminate Federal/state-funded benefits (such as AFDC/TANF and Medicaid) for legal immigrants currently in the US. In the future, legal immigrants will not be permitted to receive assistance under these programs for their first five years in the country. Deeming rules affecting sponsors will be strengthened.

The various provisions of the Act will be implemented over the next year, with most changes in place by July 1, 1997. However, different provisions will phase in at different rates. Children will not lose SSI benefits until July 1, 1997 (or at their rectification date, if later). Legal immigrants can lose eligibility for SSI and Food Stamp benefits immediately upon rectification, and states must complete the rectification process 1 year after enactment. States may not begin AFDC/TANF and Title XX benefit restrictions for legal immigrants until January 1, 1997.
Title I--Block Grants for Temporary Assistance for Needy Families

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<tr>
<td>Federal Funding</td>
<td>Unlimited Federal funding for cash assistance to states based on match formula inversely related to per capita income. (Federal funding for JOBS capped at about $1 billion a year)</td>
<td>Block grants Temporary Assistance for Needy Families (TANF) into a single capped entitlement to states, eliminating Aid to Families with Dependent Children (AFDC), Emergency Assistance, and JOBS. (Child care block grant separate.) Total FANF block grant estimated to be $16 billion for each year from FY 1996 to FY 2001. Each state allotted a fixed amount—based on past expenditures. Each state gets the greater of historic Federal spending: 1) average I FY 1992-1994; 2) payment in FY 1994; or 3) payments in FY 1995. States can build reserve funds. (See contingency funds.)</td>
</tr>
<tr>
<td>Individual Entitlement</td>
<td>Entitlement for needy families with children under age 18.</td>
<td>No individual guarantee, but the state must have objective criteria for delivery of benefits and ensuring equitable treatment.</td>
</tr>
<tr>
<td>Time Limits</td>
<td>No time limits.</td>
<td>Families who have been on the rolls for 5 cumulative years (or less at state option) would be ineligible for cash aid. States would be permitted to exempt up to 20% of their average monthly caseload from the time limit. Families must work after 2 years on assistance.</td>
</tr>
<tr>
<td>Work Requirements</td>
<td>Currently 20 percent of single-parent families with children under 3 (expires in '96) and 60% of two-parent families must be in JOBS program (subject to state funds). JOBS activities include education, job training, job readiness, job development, job search, on-the-job training, community work experience.</td>
<td>25% of single-parent families and 50% of two-parent families must begin work activity by 1997, increasing to 505 and 90% by 2002, respectively (States can exempt if child under age 1 on a one-time basis for each family). Work activity includes subsidized and unsubsidized jobs; on-the-job training; vocational education; employment training. Individuals in work activities must participate 20 hours per week in 1996 increasing to 30 hours a week by 2000.</td>
</tr>
<tr>
<td>Other family responsibilities</td>
<td>No provisions</td>
<td>States can cap family benefits when an additional child is born while family is receiving TANF. States can sanction families if children not attending school. Adults without diploma must be working toward it to receive benefits Unmarried minors must live with parent or other adult-supervised setting.</td>
</tr>
<tr>
<td>Residency Requirement</td>
<td>None-Illegal to require it</td>
<td>May impose program rules from previous state of residence for 1 year</td>
</tr>
<tr>
<td>State Plan/Timing</td>
<td>Must submit plan for aid to families with 43 provisions. State must provide education, JOBS programs for families if child 3 years or older. (Subject to funding)</td>
<td>Cash assistance to families with children; must provide for work and support services. Program must serve all areas of state.</td>
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<td>States must submit plans by July 1997; but new Federal rules begin October 1, 1996; states may complete waiver experiments. States continuing their waivers will receive TANF block grant funding, however if a state elects the waiver option, the provisions of the welfare reform legislation inconsistent with continued waivers would not take effect until the waiver expiration. (The bill language regarding how waivers will operate within new TANF rules is somewhat unclear; this section is subject to final interpretation.)</td>
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<tr>
<td>Maintenance of Effort (MOE)</td>
<td>States set needs standards and benefit levels; most do not regularly adjust payment levels.</td>
<td>States must maintain 75% of 1994 spending level.</td>
</tr>
<tr>
<td>Supplemental Funds</td>
<td>N/A</td>
<td>Supplemental funds available for up to 2.5% of Federal dollars, to correct for population growth (state spending per poor person must be less than national average to apply). Contingency fund capped at $2 billion (for all states over 5 year period) for high spending needs, can increase state allocation up to 20% (states MOE must be 100% and unemployment rate must be above average). Federal can fund: $1.7 billion allocated, and loans must be repaid within 3 years.</td>
</tr>
<tr>
<td>Transfers</td>
<td>Money provided separately for AFDC, EA, and JOBS.</td>
<td>Money can be used for any “reasonable purpose.” Up to 30% of funds can be used for child care, child welfare, and family preservation, foster care, social services (if families served are below 200% of poverty).</td>
</tr>
<tr>
<td>Penalties</td>
<td>Federal match for JOBS reduced to 50 percent for states that fail to achieve JOBS participation rate.</td>
<td>Must submit required quarterly report within one month or lose 4% of TANF; graduated penalties for each consecutive failure to meet work participation standard (5% first year; increasing by an additional 2% each additional year); state grant also reduced by 5% if fails to comply with 5-year time limit. Total penalties not to exceed 25%.</td>
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<td>Medicaid</td>
<td>States must provide Medicaid to all AFDC recipients; must extend Medicaid for 12 months after family leaves AFDC (the benefit may be limited during the second 6 months).</td>
<td>States must provide Medicaid to persons who would have been eligible for AFDC under current law, maintaining income and resource standards in effect on July 15, 1996. Medicaid can be terminated if adult refuses to work. Fund established to reimburse states for increased administrative cost due to dual eligibility system. Medicaid transition benefits same as current law.</td>
</tr>
<tr>
<td>Data Collection</td>
<td>States report average monthly caseloads, and costs for AFDC, JOBS, EA. States provide case record sample for Quality Control system.</td>
<td>National Integrated Quality Control &amp; JOBS Systems (case record samples) continue; each state also must report quarterly statistics on county or residence, disability status, ages, employment status, marital status, educational status, other types of assistance, details on work activities. States also must report on case closings and reasons.</td>
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Title II--Supplemental Security Income

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<td>Definition and Eligibility Rules for Children</td>
<td>No definition of childhood disability. Statute says persons under age 18 shall be considered disabled and eligible for SSI if that person has an impairment or combination of impairments “of comparable severity” which would result in a work disability in an adult and which will result in death or last for a continuous period not less than 12 months. Current regulations for implementing this definition use a “Listing of Impairments” and, if child doesn’t meet the Listings, an Individual Functional Assessment (IFA) of whether child can perform age-appropriate activities.</td>
<td>An individual under 18 is considered disabled and thus eligible for SSI if he/she has a medically determinable physical or mental impairment, which results in marked and severe functional limitations and which is expected to result in death or last for not less than 12 months. It also adds that where the Listing of Impairments includes domains of functioning, no less than two marked limitation be used as the standard. Eliminates “double-counting” of maladaptive behavior in the Listing by deleting it from the medical criteria for evaluation of mental and emotional disorders. Discontinues use of the IFA.</td>
</tr>
<tr>
<td>Continuing Disability Reviews (CDRs) and Eligibility Redetermination</td>
<td>Periodic CDRs are required. In 1994, requirement exacted that at least 100,000 SSI recipients with disabilities be reviewed for each of the years 1996-1998, with plans for 20,000 of these to be children. Also, at least one-third of children turning 18 be reviewed each of these years.</td>
<td>New eligibility rules apply to new applications and those in appeal stages on date of enactment. Benefits of current recipients will continue until either July 1, 1997 or their redetermination, whichever is later. CDRs must be conducted at least once every three years for children, unless their medical condition is not expected to improve. During review parents must provide evidence that recipient is receiving appropriate treatment. Eligibility must be redetermined within 1 year of turning 18. A review must be conducted 12 months after the birth of a child whose low birth weight was a factor in eligibility.</td>
</tr>
<tr>
<td>Receipt of Lump Sum Past Payments</td>
<td>Past-due SSI payments that are received as a lump sum are treated as any other income or resource.</td>
<td>Requires representative payee of child to establish an account of lump-sum payments from past-due benefits are received and limits use of these funds. This account would not be considered in determining eligibility. Also, in this situation, payments would be made in installments.</td>
</tr>
<tr>
<td>Reports and Evaluations</td>
<td>N/A</td>
<td>GAO will report no later than January 1, 1999 on the impact of these changes. Social Security Commissioner must prepare an annual report for Congress and the President on the SSI program with specified data. Regulations must be put out within 3 months of enactment.</td>
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Title III--Child Support

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<td>$50 pass-through</td>
<td>Requires states to disregard the first $50 of monthly child support payments when determining an AFDC family's benefit or eligibility status.</td>
<td>The $50 pass-through is eliminated October 1, 1996</td>
</tr>
<tr>
<td>Cooperation Requirement</td>
<td>AFDC recipients are required to cooperate with the state in establishing paternity and obtaining child support payments unless the recipient is found to have good cause for refusing to cooperate. The cooperation requirement, good cause exemptions, and penalties for noncooperation are determined by the Federal government.</td>
<td>The cooperation requirement for recipients of Temporary Assistance for Needy Families (TANF) is determined by state child support enforcement agencies. State agencies administering TANF or child support determine what constitutes a good cause exemption. States must impose a noncooperation penalty, deducting at least 25 percent of the TANF grant to the family. The state may deny the family any assistance under TANF.</td>
</tr>
<tr>
<td>State Case Registry, Collection and Disbursement Units, and Directory of New Hires</td>
<td>No requirement.</td>
<td>Requires states to establish automated central registries of child support orders and centralized collection and disbursement units. Requires states to operate a Directory of new Hires by October 1, 1997 Requires employers to furnish information on each new hire. Requires states to operate a Directory of new Hires by October 1, 1997 Requires employers to furnish information on each new hire.</td>
</tr>
<tr>
<td>Suspension of Licenses</td>
<td>No provision</td>
<td>States must have the authority to suspend drivers', professional, and recreational licenses of individuals owing past due child support.</td>
</tr>
<tr>
<td>Adoption of Uniform State Laws</td>
<td>States must use the Uniform Reciprocal enforcement of Support Act (URESA) to conduct interstate cases.</td>
<td>Mandates adoption of the Uniform Interstate Family support Act which institutes uniform laws in all 50 states that limit control of a single child support case to one state by January 1, 1998.</td>
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<tr>
<td>Work Requirements for noncustodial parents</td>
<td>The Family Support Act authorized demonstration projects to provide JOBS services to noncustodial parents of AFDC children who were unemployed and unable to meet their child support obligation.</td>
<td>Requires states to establish procedures that give them the authority to impose a work activity requirement on noncustodial parents who have children receiving TANF and owe past due child support.</td>
</tr>
<tr>
<td>Review and Adjustment of child Support Orders</td>
<td>Requires states to review and adjust child support orders once every three years for AFDC recipients and upon request for non-AFDC recipients.</td>
<td>Requires states to review and adjust child support orders once every three years upon request. Permits states to review either against guidelines or by using a COLA or automated method to determine adjustments.</td>
</tr>
<tr>
<td>Performance-Based Incentives</td>
<td>The Federal government reimburses approved administrative expenditures of states at a rate of 66 percent. In addition, the Federal government pays states an incentive amount ranging from 6 to 10 percent of both AFDC and non-AFDC collection. States are also required to meet Federal standards for paternity establishment. The major standard relates to the percentage of children in the state who are born out of wedlock, are receiving AFDC, or receiving child support enforcement services for whom paternity is established. This percentage must be at least 75 percent or increase by at least 3 percentage points a year.</td>
<td>Directs the Secretary of HHS to develop a new incentive system by March 1, 1997 which shall provide additional payments to states (i.e., above the base matching rate of 56 percent) based on performance of the new system. The paternity establishment percentage is increased to 90 percent or it must increase by at least 2 percentage points per year.</td>
</tr>
<tr>
<td>Access and Visitation Programs</td>
<td>the Family Support Act authorized access and visitation demonstration projects.</td>
<td>Authorizes grants to states for access and visitation programs.</td>
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Title IV--Restricting Welfare and Public Benefits for Aliens

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<tr>
<td>Illegal aliens, receipt of Federal benefits</td>
<td>Denied Federal public benefits other than emergency Medicaid. The current law is silent on Federally-funded programs administered by states such as school nutrition programs, WIC, Head Start.</td>
<td>Denied Federal public benefits with few exceptions (such as emergency medical services). Note: Title VII language defining changes in the school lunch program also discusses states' treatment of illegals. Current interpretation is that eligibility for public education implies eligibility for school lunches.</td>
</tr>
<tr>
<td>Restrictions for illegal aliens receipt of state/local public benefits</td>
<td>Other than public elementary education, states may be allowed to deny at least some state benefits, and Congress can influence the eligibility of illegal aliens for state benefits.</td>
<td>Illegal aliens are ineligible for all state and local public benefits, with a few exceptions(such as emergency medical services). However, states may enact laws specifying that illegal aliens may be eligible for certain state/local benefits that would otherwise be denied based on this provision. The intent of the law is to restrict access to state public benefits that are means tested.</td>
</tr>
<tr>
<td>Legal immigrants, receipt of Federal benefits</td>
<td>benefits allowed for Federal programs</td>
<td>Legal immigrants are ineligible for SSI and Food Stamps until they attain citizenship. States are given the option of similarly restricting Federal cash welfare (AFDC/TANF), Medicaid, and Title XX benefits. Those who have worked for at least 10 years (alone or in combination with their spouse or parents) are exempted from all benefit restrictions. To allow time to adjust to the new policy, these persons would remain eligible for at most 1 year after enactment. However, if an individual is determined to be ineligible under the new SSI and Food Stamp Program rules during a recertification process, benefits may cease immediately. States may begin their AFDC/TANF and Title XX restrictions January 1, 1997</td>
</tr>
<tr>
<td>Legal immigrants, receipt of state/local public benefits</td>
<td>States may not deny legal immigrants state-funded assistance that is provided to equally needy citizens without authorization from Congress</td>
<td>With some exception, states are allowed to restrict eligibility for legal immigrants; those currently receiving benefits would remain eligible until January 1, 1997.</td>
</tr>
<tr>
<td>Five-year restriction on Federal public benefits for new legal immigrants</td>
<td>No time-based categorical restrictions (although sponsor deeming was time-limited, as discussed below).</td>
<td>Legal immigrants are ineligible for Federal means-tested benefits for their first five years in the U.S., including cash welfare (AFDC/TANF), Medicaid, and Title XX services. There are exceptions for some programs and certain immigrants.</td>
</tr>
<tr>
<td>Deeming of sponsor’s income, Federal benefits</td>
<td>For AFDC, SSI, and Food Stamps, sponsor income is deemed for 3 years after entry (5 years for SSI before Sept ’96); there is an “offset” to provide for the sponsor’s own needs. Sponsors are not obligated to reimburse the government for benefits provided to sponsored aliens.</td>
<td>The full income and resources of the sponsor are deemed until citizenship for all Federally-funded means-tested programs (with some exception similar to footnote #5), unless the noncitizen has worked for at least 10 years in the U.S. sponsor affidavits of support are legally binding and sponsors must reimburse government agencies for benefits paid to sponsored aliens (with some programs excepted).</td>
</tr>
<tr>
<td>Deeming of sponsor’s income, state/local benefits</td>
<td>States are prohibited from deeming sponsors income without Federal authorization.</td>
<td>With some exceptions, states may deem sponsor income and resources in determining eligibility and the amount of needs-based benefits.</td>
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## Title VI--Child Care

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<td><strong>Structure</strong></td>
<td>Child Care and Development Block Grant (CCDBG) funding and funding under Title IV-A of Social Security Act (AFDC Child Care, Transitional Child Care, At-Risk Child Care) are separate streams of funding</td>
<td>Proposal establishes a single child care block grant and state administrative system by adding mandatory (IV-A) funds to the existing CCDBG. Effective October 1, 1996.</td>
</tr>
<tr>
<td><strong>Funding of the Child Care and Development Block Grant (CCDBG)</strong></td>
<td>Funding consists of two parts: a discretionary program and mandatory program. Currently $935 million in appropriations for discretionary part of program. The current mandatory funds for Title IV-A are $1.1 billion for FY 1996.</td>
<td>Discretionary funds: $1 billion each year from 1996-2002 can be appropriated. Mandatory funds: start at $2.0 billion in FY 1997 and rise to $2.7 billion in FY 2002 (total $13.85 billion 1997-2002)</td>
</tr>
<tr>
<td><strong>State plan requirements</strong></td>
<td>Unlicensed providers must be registered. State must establish health and safety standards. Twenty-five percent of CCDBG funds reserved for activities to improve quality of child care and increase availability of early child development and before- and after-school care.</td>
<td>This provision eliminated. State must “certify” that health and safety requirements are in effect. At least 4 percent of all funds (mandatory and discretionary) must be used to provide consumer education, for activities to increase parental choice, and for activities to improve quality and availability of child care. Not less than 70% of mandatory funds must be used for families receiving assistance under a state program, attempting to transition off public assistance, or at risk of becoming dependent.</td>
</tr>
<tr>
<td>Federal review and notification</td>
<td>Review of state licensing and regulatory requirements; notification of DHHS when standards are reduced.</td>
<td>Requirements eliminated.</td>
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<tr>
<td>State Reporting to HHS</td>
<td>Annual report required.</td>
<td>Detailed reporting requirements, including detailed demographics on assisted families, collected monthly are reported quarterly.</td>
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<td>Treatment of children living at home</td>
<td>Parents and their children 21 years of age or younger who live together must apply for Food Stamps as a single household except for children who are themselves parents living with their children and children who are married and living with their spouses.</td>
<td>Removes the exception from the requirement that related persons apply together as a single household.</td>
</tr>
<tr>
<td>Adjustment of the Thrifty Food Plan</td>
<td>Maximum food stamp benefits are defined as 103 percent of the cost of the USDA's Thrifty Food Plan, adjusted for food-price inflation each October.</td>
<td>Sets the maximum benefit at 100 percent of the cost of the Thrifty Food Plan effective October 1, 1996, adjusted annually as under present law. Requires that the October 1996 adjustment not reduce maximum benefit levels.</td>
</tr>
<tr>
<td>Earnings of students</td>
<td>The earning of an elementary/secondary student are disregarded as income until the student's 22&lt;sup&gt;nd&lt;/sup&gt; birthday.</td>
<td>Provides an earnings disregard for an elementary/secondary student until the students 18&lt;sup&gt;th&lt;/sup&gt; birthday.</td>
</tr>
<tr>
<td>Energy assistance</td>
<td>Payments or allowances for energy assistance provided by state or local law are disregarded as income.</td>
<td>Requires that state/local energy assistance be counted as income.</td>
</tr>
<tr>
<td>Standard deduction</td>
<td>The standard deduction is $134.</td>
<td>The standard deduction is frozen at current levels.</td>
</tr>
<tr>
<td>Excess shelter expense deduction</td>
<td>the excess shelter expense deduction is $247.</td>
<td>The deduction continues at current levels, but is scheduled to rise to $250 in FY 1998, $275 in FY 1999, and $300 in FY 2001.</td>
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<tr>
<td>Disqualification</td>
<td>Requirements</td>
<td>Requirements</td>
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<tr>
<td>Non-exempt individuals between 16 and 60 are ineligible for Food Stamps if they (1) refuse to register for employment, (2) refuse without good cause (including lack of child care) to participate in an employment or training program when required to do so by the state, or (3) refuse, without good cause, a go offer meeting minimum standards. If the individual is the head all other family members are also ineligible.</td>
<td>In addition to present law, individuals are ineligible if they (1) refuse without good cause to provide sufficient information for the state to determine employment status or job availability, or (2) voluntary and without good cause reduce work effort and (after the reduction) are working less than 30 hours per week. Lack of adequate child care as an explicit good cause exemption is removed.</td>
<td>Duration of ineligibility</td>
</tr>
<tr>
<td>First violation: until compliance, 1 month, or for a period (determined by the state) not to exceed 3 months- whichever is later. Second violation: until compliance, 3 months, or for a period (determined by the state) not to exceed 6 months- whichever is later. Third violation: until compliance, 6 months, until a date set by the state agency, or (at state option) permanently</td>
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<tr>
<td>Caretaker exemption</td>
<td>Parents or other household members with responsibility for the care of a dependent child under age 6 are exempt from work/training requirements.</td>
<td>Permits states to lower the age to not under age 1</td>
</tr>
<tr>
<td><strong>Treatment of ineligible aliens' income</strong></td>
<td>The income and resources of aliens ineligible under Food Stamp Act provisions are counted as available to the remainder of the household, less a pro rata share for the ineligible alien.</td>
<td>Permits states the option to count all of the income and resources of an alien ineligible under Food Stamp Act provisions as available to the remainder of the household.</td>
</tr>
<tr>
<td><strong>Cooperation with child support agencies</strong></td>
<td>No provision.</td>
<td>Permits states to disqualify custodial parents of children under the age of 18 who have an absent parent, unless the parent cooperates with the state child support agency in establishing the child's paternity and obtaining support for the child and the parent.</td>
</tr>
<tr>
<td><strong>Work Requirement</strong></td>
<td>No comparable provision.</td>
<td>No childless individual aged 18-50 may be eligible for Food Stamps if during the preceding 3 year period, the individual received benefits for 3 months or more while not working or participation in a work program at least 20 hours, or participating in a workfare program. Individuals could remain eligible for 3 more months (during the 3-year period) if in a 30 day period the individual works or participates in a work program for 80 or more hours.</td>
</tr>
<tr>
<td><strong>Minimum allotment</strong></td>
<td>The minimum monthly allotment for 1- and 2- person households is set at $10 and in indexed for inflation and rounded to the nearest $5.</td>
<td>Removes the requirement of inflation indexing of the minimum allotment.</td>
</tr>
<tr>
<td><strong>Limitation of Federal match</strong></td>
<td>If a state opts to conduct &quot;outreach&quot; activities for the Food Stamp Program, the Federal government shares half the cost.</td>
<td>Terminates the Federal share of &quot;recruitment.&quot; Activities.</td>
</tr>
<tr>
<td>Work supplementation. Or support program</td>
<td>No provision.</td>
<td>Allows states the option to operate programs under which the value of benefits are provided to employers who have recipients and, in turn, use the benefits to supplement the wages paid to the recipient.</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Waiver authority</td>
<td>The Secretary may waive food Stamp Act requirements for demonstration projects, but, in general, no project may be implemented that would bower benefits or restrict eligibility.</td>
<td>The Secretary can permit states projects, but if the Secretary finds that a project would require the reduction of benefits by more hat 20 percent for more than 5 percent of the households subject to the project then the project (1) cannot include more than 15 percent of the state’s food stamp population and (2) is limited to 5 years.</td>
</tr>
<tr>
<td>Simplified Food Stamp Program</td>
<td>No provision.</td>
<td>Permits states to determine Food Stamp benefits for households receiving TANF aid using TANF rules and procedures, food stamp rules/procedures, or a combination of both. However, there are many restrictions and requirements. Simplified programs cannot increase Federal costs).</td>
</tr>
</tbody>
</table>

source: Pat Dattalo, Virginia Commonwealth University, School of Social Work

http://www.saturn.vcu.edu/~pdattalo/compare.html
Appendix B

List I:

Requirements for Church/State compromise

- The religious freedom of a benefits recipient may not be impaired.
- The program must be implemented consistent with the Establishment Clause.
- If a benefits recipient objects to the religious character of the institution where he or she receives services, the state must provide an alternate provider within a reasonable time.
- The religious organization may not discriminate against a benefits recipient on the basis of his or her religious belief or refusal to participate in a religious practice.
- No funds provided to a religious organization to provide benefits and administer programs under the Act may be used in sectarian worship, instruction, or proselytization.
The religious organization has these safeguards in place to protect them:

- The state may not impair the religious character of the organization.
- The religious organization remains independent from Federal, state, and local governments including the organization's control over “the definition, development, practice and expression of its religious beliefs”.
- The Federal, state, and local government may not force a religious organization to alter its form of internal governance or to remove “religious art, icons, scripture, or other symbols” from its premises in order to participate in the program.
- A participating religious organization continues to be exempt from the discrimination prohibitions of the Civil Rights Act of 1964.
- While a participating religious organization is subject to the same accounting regulations as any other contracting party, as long as the religious organization segregates the Federal funds it receives from its other accounts, it is subject only to a limited audit.
- A religious organization may sue a state in state civil court if it believes its rights under Section 104 have been violated.

List II:
Programs provided by Indiana

- Assessment
- Occupational/Career Planning
- Job Search workshops and other assistance
- Job Development and placement
- Post-employment services will emphasize retention, increased skills and disposable income
- Mentoring and job coaching
- basic education and vocational training
- Child Care assistance
- Transportation assistance
- Substance abuse treatment
- Mental Health treatment
- Substance Abuse Treatment
- Appropriate Referral Services.
- Post-employment assistance including clothing allowance, work tools.
- Domestic Violence and Mental Health Interventions.
- Parenting Skills and Case Management for Custodial and Non-Custodial Parents.
• Transitional Transportation Support Assistance.
• Housing Advocacy Support and Assistance.
• Specialized Child Care Assistance.
• Township Poor Relief.

source: (http://www.dwd.state.in.us/ahtmVwtwp.html)
List III:

Indiana’s social benefits provider

- subsidized housing agencies,
- township trustees,
- community based development organizations,
- faith based organization,
- school corporations,
- community social workers,
- local food pantries and soup kitchens,
- subsidized child care providers and Step Ahead,
- Community Action Programs & Community Development Corporations (CDC’s),
- grocery stores for Food Stamp payees,
- public transit system vehicles,
- Prosecutor’s offices,
- substance abuse treatment providers,
- ABE/GED service providers,
- Volunteer literacy providers,
- United Way agencies which target TANF recipients,
- providers of services to the homeless,
- Vocational Rehabilitation,
- health clinics,
- Township Trustees
- homeless shelter,
- utilities to target GAP and LIHEAP recipients,
- community health center,
- hospitals.
- JTPA Resources
• Private Sector Employers
• Labor Organizations
• business and Trade Organizations
• The Indiana Department of Education
• Transportation Agencies
• Faith-Based Organizations

• Public Housing, section 8 Housing
• Community Development corporations
• Disability Organizations
• Educational Institutions

source: (http://www.dwd.state.in.us/ahtmllwtwp.html)
List IV:

Texas requirements for Medicaid

- refugees
- asylees
- immigrants whose deportation is being withheld
- immigrants who can claim 40 qualifying quarters of Social Security earnings
- veterans and their spouses and dependents
- active-duty military personnel and their spouses and dependents.
- Pregnant women with income less that 185 percent of the Federal poverty guidelines are eligible. Resources are not considered
- newborn children automatically are eligible if the mother was eligible and received Medicaid on the day the child was born. The child remains eligible through the month the child becomes a year old as long as the child remains in the mother's household and remains a resident of Texas
- Children under age 1 with income under 185 percent of the Federal poverty limit and having resources under $2,000 are eligible for Medicaid. The value of the family's primary vehicle is excluded.
- children under age 6 in one- or two-parent households with income under 133 percent of the Federal poverty income limits and with resources of less than $2,000 are eligible for Medicaid. The value of the family's primary vehicle is excluded.
• Children born before Oct. 1, 1983, are eligible for Medicaid if the family meets the TANF income and resource limits.

• Independent children under age 6 born after Oct. 1, 1983, may be eligible when they do not live with a close relative.

• Legalized immigrants and undocumented aliens who are ineligible for Medicaid due to their alien status but meet the income and resource criteria for TANF may be covered by Medicaid for the treatment of emergency conditions.

source: (http://www.dhs.state.tx.us/regops/reg07/pgmdfrdc.htm)

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List V:

Texas TANF requirements and penalties

- “Cooperate with child support enforcement requirements (penalty: $78 for single-caretaker case or $125 for a two-parent case).
- Comply with the Job Opportunities and Basic Skills Training (JOBS) program, a Texas Workforce Commission program to help TANF caretakers to become employed (penalty: $78 for a single-caretaker case or $125 for a two-parent case).
- Insure each dependent child is immunized according to schedule (penalty: $25 per month until child is immunized).
- Participate in parenting skills classes, if referred (penalty: $25 per offense).”
- Ensure each eligible child completes the health screens and checkups provided by the Texas Health Stepts (THSteps) program (penalty: $25 per offense).
- Refrain from voluntarily quitting employment without good cause (penalty: $25 per offense).
- Refrain from selling or abusing illegal or controlled substances or abusing alcohol (penalty: $25 per offense).
- Provide proof that each dependent child or teen parent is meeting
mandatory school attendance or offense). requirements (penalty: $25 per

(http://www.dhs.state.tx.us/regops/reg07/pgafdc.htm)
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