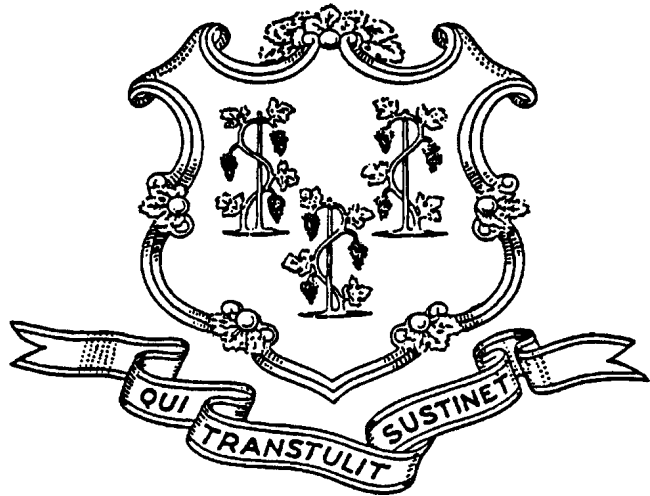


The Department of Social
Services'
Preliminary Recommendations on the
Implementation of Federal
Welfare Reform
A Report to the Governor



October, 1996

Joyce A. Thomas
Commissioner

Implementation of Federal Welfare Reform

*Preliminary Recommendations
for the Implementation
of the Personal
Responsibility and Work
Opportunity
Reconciliation Act of 1996*

TABLE of CONTENTS

Introduction	4
The Need for Reform	4
Recommendations	6
TANF block grant	7
Child Care.....	17
Child Support Enforcement	19
Food Stamps	26
Medicaid	31
Social Services Block Grant	33
Restrictions on Non-citizens	35
Supplemental Security Income (SSI)	36
The Emergency Food Assistance Program	38

Implementation of Federal Welfare Reform

A Report to the Governor

INTRODUCTION

The need for reform

Frustration with the failures of the welfare system has reached an all-time high. Recipients feel the system doesn't help them get off welfare. Taxpayers are tired of seeing their tax dollars spent on programs that perpetuate dependency. Governors and state administrators feel stifled by complex, rigid federal rules and have yearned for the flexibility to design programs that will best meet the unique needs of their states.

Out-of-wedlock births, teen pregnancy and the breakdown of the family unit have continued to climb, year after year, contributing to a steady rise in the number of children on welfare. According to Congress, while the total number of children in our nation declined by 5.5 percent from 1965 to 1992, the number of children receiving Aid to Families with Dependent Children (AFDC) benefits rose nearly threefold. Out-of-wedlock births have risen from 10.7 percent of all births in 1970 to 29.5 percent in 1991, and if current trends continue, half of all births will be out-of-wedlock by 2015. Children born out-of-wedlock are not only more vulnerable to child abuse, neglect and lower cognitive scores, but they are three times more likely to be on welfare when they grow up. Likewise, children who are born into families receiving welfare are three times more likely to receive welfare as adults than children not born into families on welfare.

After much controversy and debate over how best to reform welfare programs, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, perhaps the most revolutionary social welfare policy changes since the Johnson administration's War on Poverty. The bill, HR 3734, was signed into law by President Clinton on August 22, 1996.

Connecticut's Jobs First program, the welfare reform waiver program proposed by Governor Rowland and enacted by the Connecticut General Assembly, has much in common with HR 3734. Like Jobs First, HR 3734 focuses on personal responsibility, replaces welfare with work, puts a time limit on receiving benefits and seeks to break the cycle of long-term dependency on public assistance.

The department is recommending that the state continue most of its successful Jobs First program under HR 3734, with some modifications. In addition, HR 3734 makes a number of changes to other programs, such as child support enforcement, child care, food stamps, Medicaid and SSI, and offers opportunities for work simplification, paperwork reduction and workload efficiencies. This report puts forth the Department of Social Services' preliminary recommendations for implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Recommendations

*A side by side comparison of
our current programs, the
contents of
HR 3734 and our
recommendations for
implementing the new
legislation*

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)

Perhaps one of the most well-publicized elements of HR 3734 is the elimination of the historic entitlement to AFDC benefits and the creation of block grant funding for the program. The purpose of the Temporary Assistance to Needy Families (TANF) program is to provide assistance to needy families with children and to reduce dependency by fostering work, job preparation and marriage. States can use their block grant funds to reduce out-of-wedlock births and to promote two-parent family development.

TANF must be implemented by July 1, 1997, although states may opt to begin implementing the block grant as early as October 1, 1996 by submitting a state plan to the US Department of Health and Human Services. The state stands to gain significantly by submitting its plan on October 1, 1996. The amount of the block grant is determined using one of three possible formulas that are based upon prior year caseloads and expenditures. States must meet an 80% maintenance-of-effort (MOE) requirement (i.e., put up 80% of the program's 1995 cost in state funds) in order to receive the full block grant. The grant must be used for purposes that are reasonably calculated to accomplish the purpose of the act.

TANF limits cash benefits to no more than 60 months and requires able-bodied adults to work or to participate in a work activity after receiving benefits for two years. States have considerable flexibility to set eligibility limits and benefit amounts. Recipients must cooperate in establishing paternity and must not refuse to work or engage in a work activity. If the head of the household is a teen parent, the teen parent must live at home or in another approved setting with adult supervision, and he or she must attend school or pursue a GED. States may choose to provide benefits to qualified legal noncitizens. In addition, states are permitted to reduce benefits for families whose children are not attending school satisfactorily.

States must have a certain percentage of their TANF recipients working or participating in a work preparation activity, starting at 25% of all families in 1997 and rising by 5% each year to 50% by 2002. In order for an individual to count towards the participation rate, he or she must be working at least 20 hours a week in 1997, rising to 25 hours by 1999 and to 30 hours by 2000. The participation rates for two-parent families are higher. The block grant specifies the kinds of activities that are allowable: unsubsidized employment, subsidized public or private sector employment, work experience, on-the-job training, successful participation in a GED or high school program for those without a high school diploma, and, to a limited extent, job search activities and vocational training. States that fail to meet these participation rates will face the loss of 5% of their block grant the first year and an additional 2% each year up to a maximum of 21%.

Recommendation

Regarding the date of implementation, Connecticut has chosen to apply for its TANF funding starting October 1, 1996, for the state will see a net gain by doing so. The reason for this is that the formula is based upon a period when the state's AFDC caseload was at an all-time high prior to implementing Jobs First. The state will continue to operate its current Jobs First waiver program unchanged until legislation can be adopted during the 1997 session that will delete obsolete statutes and codify the TANF into state statute.

The department proposes to reinvest its TANF block grant into programs and activities that will enable families to go to work, including but not limited to child care and work preparation programs so to: 1) ensure that recipients are able to go to work and continue to support themselves and 2) avoid federal penalties for failing to meet participation targets. Connecticut also proposes to use these dollars for safety net services for families that have reached their time limit.

In recognition of the importance of school attendance for childrens' future capacity to be self-supporting and succeed, the department recommends reducing benefits if a family's children are not attending school satisfactorily. Finally, the agency is proposing to provide TANF benefits to legal non-citizens who have lived in the U.S. less than five years only if they live in the state and receive benefits as of January 1, 1997. Legal non-citizens who have been in the country for more than five years would be required to become citizens in order to get benefits.

Temporary Assistance to Needy Families

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Programs covered	Federal AFDC, EAF, JOBS and IV-A Child Care programs; Connecticut operating AFDC/JOBS waiver.	Eliminates AFDC entitlement, merges cash assistance and JOBS into Temporary Assistance to Needy Families (TANF) Block Grant (IV-A child care in CCDF)	Comply with federal requirements.
Effective dates	Current AFDC/JOBS waiver started 1/1/96; operates until 2001	TANF must begin by 7/1/97, or earlier at state option; provisions regarding certain penalties, data collection and reporting are effective 7/1/97, or six months after submission of state plan, whichever is later.	Continue to operate current program. Implement TANF on 10/1/96 by submitting state plan to federal government to access additional funds. Continue to operate current program until 1997 state legislation is adopted.
Waiver	States may seek waivers of AFDC and other federal rules; CT operating waiver .	Allows states to continue existing waivers under TANF and block grant provisions do not apply if they conflict with a state's waiver until the waiver expires. States may terminate waivers prior to 90 days after next legislative session adjourns and are held harmless for cost neutrality liabilities.	Retain waiver and continue current program until after legislative session and continue analyzing the advantages and disadvantages of keeping the waiver.
Use of block grant	AFDC/JOBS funds must be spent in way that complies with a state's plan and with federal law and regulations.	TANF block grant must be used in any manner reasonably calculated to accomplish the purpose of the program. May be used for home heating and cooling costs. May not be used for medical services except for pre-pregnancy family planning.	Comply with federal requirements.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Time limited benefits	Under waiver, families with employable adults limited to 21 months. Possible 6 month extension. Families with no employable adults have no time limit.	60 month time limit for all families with an adult receiving assistance. 20% of caseload may exceed 60 months under hardship exception. States may provide assistance beyond this with state funds.	Continue existing 21 month time limit and extensions, except that there would be no extensions for an employed person.
Benefit levels	\$543 for a family of three (\$500 if in Rental Assistance Program or Section 8).	Allows states to set amounts.	Same as in current program.
Newcomers to state	No different treatment permitted under AFDC or waiver. Waiver had requested a 90% payment of the regular benefit but HHS denied.	For families that have lived in the state for less than one year, allows states to apply rules of previous state, or may apply different rules.	Reduce benefit for families that have lived in Connecticut less than 12 months by 10 percent.
Non-Citizens	Illegal non-citizens not eligible; legal non-citizens and others residing under color of law are eligible.	Legal non-citizens, with certain exceptions, living in the country at the time of enactment become ineligible after 1/1/97 unless the state opts to cover them. Legal non-citizens, with certain exceptions, who enter the US after enactment are barred from TANF for five years. Illegal non-citizens are not eligible.	Limit coverage of legal non-citizens to those who live in CT as of 1/1/97 and who were receiving a benefit as of that date, and who have lived in the US less than 5 years. For those meeting the first two conditions but who have lived here more than 5 years, they must become citizens in order to get benefits.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Additional benefits for additional children	Under CT's waiver, benefit increase is limited to 50% for additional children born more than 10 months after assistance begins.	No provision.	Same as current program.
Cooperation with establishing paternity and assigning support rights	Head of household must cooperate and penalty is same as for failure to meet work requirements. Support rights must be assigned as condition of eligibility.	Failure to cooperate in establishing paternity means at least a 25% benefit reduction, or state may deny eligibility to whole family. Must assign support rights as condition of eligibility.	Deny eligibility to family until they cooperate in paternity establishment and until they assign support rights.
Coverage of pregnant women	Under AFDC and waiver, cover last trimester of pregnancy. GA covers during early pregnancy.	Pregnant women coverage included.	Transfer coverage from GA to TANF and continue to cover pregnant women.
Family planning, reducing out-of-wedlock births and statutory rape	Must offer family planning, with penalty of 1% for failure to offer if asked. No rule on out-of-wedlock births; Governor has ordered better enforcement of statutory rape statutes.	States must establish goals and take action to prevent and reduce out-of-wedlock pregnancies, with emphasis on teen pregnancy, but no penalty if state does not. States may qualify for bonus if highly successful in reducing illegitimate births. State must conduct program providing education on statutory rape and expand teen pregnancy prevention programs to include men.	State should comply with out-of-wedlock provisions and attempt to qualify for bonus. Statutory rape program already underway.
Fraud by double-dipping	No specific provision.	Person is ineligible for 10 years if convicted of fraudulently receiving cash or medical block grant, food stamps, or SSI in two or more states.	Comply with federal requirements.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Fugitive felons and drug felony convictions	No provision.	Fugitive felons, parole violators and those convicted of any drug-related felonies are ineligible. States may use self-declaration statements.	Comply with federal requirements.
Income and asset limits	Income: for applicants, the payment standard; for recipients, the poverty level; assets: \$3,000 in savings, \$9,500 automobile, savings for children's education do not count.	No provision.	Same as current program.
Treatment of income	Earnings do not reduce cash assistance for those in 21 month limit; use fill-the-gap income formula for those who are not subject to 21 month time limit. Allow family to retain first \$100 of child support collected without affecting benefit level.	No provision for earnings, nor for \$100 child support pass-through disregard.	Same as current program. Child support disregard is still under consideration.
Penalties for voluntary quitting of job	First incidence, 20% reduction for 3 months; second, 35% reduction for 6 months; third, ineligible for 3 months.	No provision.	For applicants, deny benefits for 60 days to family if adult member quits without good cause or is fired due to willful misconduct within 60 days of application; for continuing eligibility, retain current penalties.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Minor parents	Minor parents must live with a parent, legal guardian or in an adult-supervised living arrangement, and if not in school, must go to school.	Same as current policy for living arrangement, but minor parents who have not completed high school must obtain a high school diploma or participate in an alternative educational or training program.	Comply with federal requirements.
Work requirements	All adults able to do so must participate in work requirements. Those exempt are children under 18, incapacitated persons, age 60 or older, minor parents in school, needed in home because of incapacity of another family member, caring for child under one year if child not covered by family cap provisions, pregnant or postpartum individual if physician indicates inability to work and individuals otherwise determined unemployable at 20 months.	All adults must participate in work when found ready or at 24 months, which ever is sooner. States may exempt a single parent or caretaker of a child under 1. Nonrecipient caretakers are exempt.	All adults must participate in work. No exemption allowed for parent with child under age one.

ISSUE	EXISTING RULE	HR 3734		RECOMMENDATION
Participation requirements	None for one parent households; 60, 75 and 75% for 1996, 1997 and 1998, and none beyond. Reduction in match rate from 60% to 50% for failure to meet.	One parent 1997 25% 1998 30% 1999 35% 2000 40% 2001 45% 2002+50%	Two parent 75% 75% 90% 90% 90%	Comply with federal requirements.
		Participation rate may be reduced by HHS by the % that the caseload is lower than the average of FFY 1995, if reduction not due to federal law changes. Penalty for failure to meet is 5% of the block grant, with 2% more each year up to 21%. State must also contribute 5% more in its MOE if participation not met.		
Work activities	High school completion, basic or remedial education, education in English, job skills training, job readiness, job search (no limit), on-the-job training, post-secondary education for those in community/ technical colleges on July 1, 1995 and alternative work experience	Unsubsidized employment, subsidized employment, work experience, OJT, job search and job readiness (no more than 6 weeks per year, and no more than 4 weeks consecutively), job skills training directly related to employment, education directly related to employment for those without high school education or equivalent, vocational education training (12 months maximum), secondary school or equivalent for those without high school completion, community service, provision of child care services to individual participating in community service program.		Comply with federal requirements.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION												
Hours of participation	<p>Number of adults in one parent families whose combined and averaged hours equal 20 hours per week. For two parents, one parent must participate at least 20 hours weekly in OJT, work supplementation, community work experience, state designed program or at least 16 hours weekly if unsubsidized job.</p>	<p>Each individual must meet minimum requirement (no averaging). Minimum requirements are:</p> <table border="0"> <tr> <td>1997</td> <td>20 hours</td> </tr> <tr> <td>1998</td> <td>20 hours</td> </tr> <tr> <td>1999</td> <td>25 hours</td> </tr> <tr> <td>2000</td> <td>30 hours</td> </tr> <tr> <td>2001</td> <td>30 hours</td> </tr> <tr> <td>2002</td> <td>30 hours</td> </tr> </table> <p>For one parent families, to count, at least 20 hours a week must be in unsubsidized employment, subsidized public or private sector employment, work experience, OJT, community service, vocational education (12 months), job search (no more than 6 weeks/year, no more than 4 consecutive), or child care to participant in community service. In two parent families, one parent must work at least 35 hours a week, of which 30 must be unsubsidized employment, subsidized private or public sector employment, OJT, community service, vocational education/job search (same time restrictions as above), or child care to participant in community service.</p>	1997	20 hours	1998	20 hours	1999	25 hours	2000	30 hours	2001	30 hours	2002	30 hours	Comply with federal requirements.
1997	20 hours														
1998	20 hours														
1999	25 hours														
2000	30 hours														
2001	30 hours														
2002	30 hours														

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Confidentiality	Cannot release information unless directly connected with administration of AFDC or other federally means tested program.	Must take reasonable steps to restrict use and disclosure. Must provide address information to law enforcement officers.	Provide information to law enforcement officials, other state agencies, and school systems.
Learn Fare	No provision	Permissible to sanction families whose children are not attending school as required by law of the state	Reduce benefits of families whose children are not attending school satisfactorily.

CHILD CARE

HR 3734 also makes changes to the three AFDC child care funding sources and consolidates them, along with the Child Care Development Block Grant, into a new Child Care and Development Fund. The goals of the new child care block grant are:

- to allow states the maximum flexibility in determining child care policies that best suit the needs of children and parents within the state;
- to promote parental choice in making decisions on child care that best suits their families' needs;
- to encourage states to provide consumer information to help parents make informed child care choices;
- to assist states in providing child care to parents who are trying to become independent of public assistance; and
- to assist states in implementing the health, safety, licensing and registration standards established in state statute.

At least 70% of the funds must be used for child care services for families receiving state assistance, transitioning off welfare and at-risk for going on welfare. At least 4% of the funds must be used for activities that are designed to provide consumer education, increase parental choice and improve quality and availability of child care. No more than 5% of the child care block grant may be used for services not directly connected with the provision of child care services. The remaining 21% can be allocated for child care services and/or quality services.

Funding for Connecticut under the new child care block grant program will be \$34.6 million in federal 1997. The state has the option of transferring up to 30% of the TANF block grant to the child care block grant.

Recommendation

Connecticut's priorities will be to maintain child care subsidies for low-income working families with children under age 13 (and under age 19 with special needs), support families transitioning from welfare to work, and provide quality services that support child care consumers and providers. The state will consolidate the four current child care programs into a uniform child care subsidy, eliminating the different rules that now apply to the four programs and ensuring continuity of benefits for families and simple rules for child care providers.

The department recommends that the highest percentage available (96%) be spent on child care services, with the remainder spent on quality services.

Child care

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Programs covered	There are four federal funding streams: the Child Care Development Block Grant, AFDC transitional child care, AFDC at-risk child care and JOBS child care.	Creates single block grant, called Child Care and Development Fund.	Comply with new funding structure and create a uniform child care subsidy program with an emphasis on low income working families.
Use of funds	CCDBG funding limited to 75% on child care services or contracts and 25% on quality services including early childhood and school-age programs, resource and referral services, provider training and licensing enforcement. AFDC/JOBS funds are limited to child care subsidies.	Requires that at least 70% of total funds be used for families receiving TANF, transitioning off or at risk of receiving assistance. No more than 5% may be spent on administration (administration does not include eligibility services, management information systems, recruitment, etc.). At least 4% must be used for quality services.	Use highest possible percentage (96%) on child care services and, 4% on quality services.
Eligibility limits	75% of statewide median income (SMI) and children under 13, or under 19 with special needs.	Allows up to 85% of SMI.	Maintain existing rules.
Fees	Currently, there are no fees for two of the four programs.	State determination.	Require that all families contribute to the cost of child care.

CHILD SUPPORT ENFORCEMENT

In keeping with the Congressional intent to assure that both parents support their children, HR 3734 contains a number of improvements to the child support enforcement program. The changes are far reaching, including the creation of several national data bases to make it easier for states to locate absent parents, enforce orders and pursue collections and the mandating of punitive measures, such as license suspensions, against parents who refuse to pay or who do not cooperate with warrants or subpoenas. In addition, for the first time Congress has imposed requirements that non-IV-D cases become part of the child support case registry.

One of the most difficult areas in child support enforcement involves tracking down absent parents, and continuing to collect from them once they've been found. HR 3734 mandates a number of measures designed to improve states' abilities to locate parents, such as an expanded federal parent locator service, a national data base of all child support orders and a national directory of new hires, using data from newly mandated state new hire directories. In addition, state child support agencies must have access to motor vehicle and law enforcement locator networks.

States must now adopt the Uniform Interstate Family Support Act (UIFSA). This will allow better interstate enforcement, making it easier for Connecticut residents to pursue action against obligors who live out of state, and correspondingly, Connecticut courts will have to process cases for non-residents with obligors residing here. States must also adopt the use of standardized forms in interstate cases.

HR 3734 sets new and higher paternity establishment standards for states to meet, requiring that paternity be established in 90% of its cases. It requires that state birth records agencies must offer paternity acknowledgment services, establishes that a voluntary acknowledgment becomes a legal finding of paternity in 60 days unless challenged for fraud, duress or mistake, and eliminates the right to a jury trial in paternity cases. States must establish a program to publicize voluntary paternity establishment and child support services.

Under the bill, child support agencies are required to have the ability to order or have performed many activities without a court order. For example, a child support agency must be able to order genetic tests, subpoena financial information and impose penalties, order wage withholding, seize assets, lump sums and retirement funds, impose liens and force property sales, all without court action. States also must conduct data matches with financial institutions and financial institutions must provide quarterly account information on parents with arrearages and respond to notices of liens or levies.

Parents who fail to pay child support or who do not cooperate with warrants can have their drivers', professional and recreational licenses suspended. Social Security

numbers will now be required on commercial drivers licenses, professional and occupational licenses, marriage licenses or certificates, divorce decrees, orders or support or paternity and death certificates. Parents who are delinquent over \$5,000 can have their passports revoked as well.

And finally, states must have procedures for parents owing child support and unable to pay to participate in a work program (Parent's Fair Share) and must require support orders to include provisions for health insurance coverage and must so notify employers. HR 3734 also provides grants for states to operate access and visitation programs.

Recommendation

Connecticut will pursue legislation to comply with these new requirements and must work with the Office of Policy and Management, the Judicial Department, the Departments of Public Health, Labor, Consumer Protection, Motor Vehicles, Public Safety and others to implement the changes necessary to meet HR 3734 mandates. The legislation also presents significant opportunities to work with other agencies and organizations in enforcing child support obligations.

Child support enforcement

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Federal reimbursement	Half of all AFDC collections are reimbursed to federal government.	Same provisions.	Comply with federal requirements.
State case registry	Wage withholding must be administered by public agency; must track, monitor and document payments.	Automated state case registry must be created for IV-D cases; after 10/1/98, non-IV-D support orders established or modified must be included. Must include data on both parents, support amounts owed, collections, distribution, children and liens.	Comply with federal requirements. This provision will increase collections by some \$2 million for cash assistance and \$3 million for non-cash assistance cases. Significant changes needed in Judicial Department to comply.
New hires directory	No federal requirement; CT has its own new hire reporting law with employers required to report within 35 days of hire	By 10/1/97, states must have new hire directory and a federal directory begins. By 10/1/98, new federal requirements must be met: reports within 20 days of hire, option to impose penalty for nonreporting, match with state case registry, transmit withholding order to employer within 2 business days of data entry and transmit to national new hires directory within 3 days, new hire information to be used for paternity establishment and disclosed to other state agencies administering other assistance programs or private contractors, provided privacy safeguards are met.	Comply with federal requirements. Additional systems costs (\$75,000) for Department of Labor to modify current new hire database.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Federal Parent Locator Service (FPLS)	FPLS used to obtain and transmit information about absent parents.	By 10/1/98, FPLS must include federal case registry of support orders and by 10/1/97 include the national directory of new hires. Locate authority to include establishing parentage, setting obligations and modifying orders. FPLS must forward matches to state within 2 days.	Comply with federal requirements.
Locator network information	States must use interstate location networks in appropriate cases.	State and federal child support agencies must have access to motor vehicle and law enforcement systems of all states.	Comply with federal requirements. May yield as much as \$500,000 for TANF cases and \$750,000 for non-TANF cases in 1999.
Collection and disbursement of support	No provision, but at the request of either parent, support payments can be made through IV-D agency.	By 10/1/98, states must operate an automated, centralized collection and disbursement unit to collect and disburse payments, generate orders and notices of withholding to employers, identify payments, distribute money and provide parents with a record of payments. Must send wage withholding orders to employers within 2 days and monitor missed payments. States must distribute payments within 2 days of receipt from employer.	Comply with federal requirements. Could produce as much as \$2 million in TANF collections and \$3 million in non-TANF collections in 1999, rising to \$3 and \$4 million respectively in 2000.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Collection and use of Social Security Numbers (SSN)	Parents must give SSNs for issuance of birth certificates, but SSNs may not be placed on the certificate. Such SSNs must be made available to IV-D agency.	Applicant's SSN must be on applications for commercial driver's, professional, occupational, marriage and other licenses, as well as on marriage certificates, divorce decrees, support orders, paternity orders and death certificates.	Comply with federal requirements. Estimated savings in 1999 are \$200,000 on TANF and \$300,000 on non-TANF cases.
Adoption of Uniform Interstate Family Support Act (UIFSA)	CT uses the Uniform Reciprocal Enforcement of Support Act, long arm statutes, interstate income withholding and direct income withholding where the other state has adopted UIFSA .	Requires UIFSA be adopted and implemented by 1/1/98.	Adopt UIFSA. CT courts will hold hearings for nonresidents and process an additional 6,500 cases annually. Collections should increase by \$1.4 million in TANF cases and \$1.6 million in non-TANF in 1999. Additional DSS and Judicial Department staff will be needed to process the additional cases.
Expedited procedures	States must have expedited process for obtaining and enforcing support orders and establishing paternity. CT's Family Support Magistrate system was created.	State child support agencies must be able, without obtaining a judicial order, to 1) order genetic tests; 2) subpoena financial information and impose penalties; 3) require all public/private entities to respond; 4) obtain certain public and private records; 5) change payees; 6) order withholding; 7) seize lump sum payments, assets in financial institutions and retirement funds; 8) increase monthly payments on arrears. All paternity and support proceedings just be able to exert statewide jurisdiction over parties and transfer cases between local jurisdictions.	Comply with federal requirements. In 1999, possibly as much as \$800,000 in TANF and \$1.2 million in non-TANF cases could be collected as a result of transforming many judicial processes into administrative ones.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Paternity establishment	In most cases, states must meet a 75% paternity establishment rate. States must also have procedures for genetic testing, a simple civil process for acknowledging paternity, and a hospital-based paternity establishment program.	States must meet a 90% paternity establishment rate. No right to jury trial in paternity cases. State birth records agency must offer paternity services. Acknowledgment becomes legal finding of paternity in 60 days unless challenged for fraud, duress or mistake of fact. Father's name can be on birth certificate only if both parents sign an acknowledgment or pursuant to an order.	Comply with federal requirements. Will require personnel and systems costs for Department of Public Health Vital Records section to offer paternity services.
Work requirements	None required.	States must have procedures for parents owing past-due child support to participate in work activities if unable to meet child support obligation.	Comply with federal requirements. CT's Parents' Fair Share services will help noncustodial parents of TANF cases to get jobs; some \$600,000 in 1998 and \$1.4 million thereafter is estimated in additional collections.
License suspensions	No federal provision; CT has license suspension law for overdue support.	States must be able to withhold, suspend or restrict drivers', professional and occupational, and recreational licenses of people owing past due support or who have failed to comply with subpoenas or warrants regarding paternity or child support.	Comply with federal requirements. Amend CT statute to reflect recreational license change and add provisions regarding warrants and subpoenas.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Data matches with banks	No provision	States must have agreements with financial institutions to develop and operate a data match system using automated exchanges. Financial institutions must provide quarterly account information on noncustodial parents with arrearages and respond to notices of liens or levies.	Comply with federal requirements. Negotiate agreements with financial institutions. Additional collections of \$200,000 and \$300,000 for TANF and non-TANF cases expected in 1998; collections should double in 1999.

FOOD STAMPS

Like the provisions of TANF and child support, the Food Stamp changes emphasize personal responsibility, an expectation of work and give states more tools to encourage cooperation with work and fight fraud. Most of the changes are effective September 21, 1996.

HR 3734, among other things, imposes a work requirement and a time limit for certain recipients, starting November 22, 1996. Able-bodied recipients age 18 to 50 with no dependents are eligible for three months of benefits in 36 months, after which they are no longer eligible unless they work or participate in an approved work preparation activity. Qualifying work programs include JTPA and workfare, but not job search, and recipients must participate for at least 20 hours a week. Clients who find work and then subsequently lose employment can receive Food Stamps for an additional three months in the 36 month period.

States may choose to operate a Simplified Food Stamp Program for the cash assistance portions of their caseloads to make them conform to TANF, but it must not cost the federal government any more for the Simplified program.

HR 3734 strengthens penalties against individuals who voluntarily reduce their work hours and no longer exempts residents of homeless or domestic violence shelters from work participation requirements. States can now choose to make an absent parent or a custodial parent ineligible for Food Stamps for failure to cooperate with child support enforcement, and Food Stamp benefits cannot be increased when a recipient's cash assistance is reduced for a program violation.

Persons convicted of drug-related felonies, fugitive felons and probation or parole violators are no longer eligible for Food Stamps, and the state Food Stamp agency must share information with law enforcement officers when they contact the department and inform us that they are pursuing someone for prosecution of or confinement for a felony.

In the area of fraud, HR 3734 mandates permanent disqualification for recipients who are convicted of trafficking in Food Stamps and requires a ten year disqualification for anyone who attempts to receive benefits under more than one identity.

Non-citizens can no longer receive Food Stamps, unless they become citizens.

Recommendation

Connecticut will proceed to implement all of the mandatory changes and will evaluate the feasibility of implementing a Simplified Food Stamp Program for cash assistance recipients.

Food Stamps

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Time limits	No provision.	Able-bodied employable recipients age 18 to 50 without dependents are limited to 3 months of Food Stamps in 36 months, unless he or she is working or participating in an approved work program for at least 20 hours a week. Effective date is 11/22/96.	CT will implement time limited benefits on 11/22/96. An estimated 7,100 recipients will be affected. Recipients will be referred to appropriate programs.
Penalties for failure to comply with work requirements	Persons who do not comply with work requirements or voluntarily quit a job are ineligible for up to two months and for three months, respectively.	Adds a provision to disqualify the household if a person voluntarily reduces his/her work effort to less than 30 hours per week, with a state option of a penalty of 1 to 3 months for the first violation, 3 to 6 for the second and up to permanent disqualification for a third.	CT will implement immediately, with the maximum penalties of 3 months for the first violation, 6 months for the second and permanent disqualification for the third.

Employment and training program

Very prescriptive rules over who participates and what constitutes participation. States must meet a participation rate in order to receive funding.

Gives increased flexibility while removing discretion in other areas. The national performance standard is eliminated, states can define which work activities can apply and job search components no longer must be comparable to AFDC. The employment and training program may be operated through state's work force development boards. The state's authority to define exemption criteria is eliminated.

Implement mandatory provisions on 11/22/96, simultaneously with time limited benefits.

Formula reductions/freezes

Food Stamp benefits are based on 103% of the Thrifty Food Plan (TFP); a standard deduction and shelter deduction are normally increased annually based on the cost of living; states can use a standard utility allowance (SUA) rather than actual costs.

Benefits based on 100% of TFP; standard deduction is frozen at FY 96 level of \$143 and shelter deduction increase delayed by 3 months; states can establish two SUAs (heating/cooling and utility costs other than heating/cooling), mandate their use and prohibit use of actual utility costs as a deduction.

Comply with the law and proceed to establish two SUAs and prohibit use of actual utility costs

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Disqualifications for fraud	No provision for disqualification if recipient traffics in food stamp coupons; no provision for disqualification for duplicate receipt of benefits.	Recipients convicted of trafficking \$500 or more in coupons must be permanently disqualified. Recipients who intentionally misrepresent identity or address to receive duplicate benefits can be disqualified for 10 years.	Comply with federal requirements.
Disqualifications for noncooperation	Generally, states cannot disqualify recipient for failure to cooperate with other assistance program rules or with child support enforcement.	Gives states authority to disqualify a recipient who does not comply with another program's requirements, such as paternity establishment or child support payments. Requires that food stamp benefits not be increased due to a reduction in cash assistance because of a violation of the cash program's rules; allows states to decrease the food stamp benefits by up to 25% as an alternative to freezing benefit.	Implement mandatory and certain optional provisions.
Fugitive felons, parole violators, drug felonies	No provision.	Fugitive felons and parole or probation violators are ineligible. Persons convicted of drug-related felonies are ineligible July 1, 1997. States may use self declaration statements.	Comply with federal requirements.

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Confidentiality	Information may be released only for purposes directly connected with administration of program.	States must provide address, SSN and photo of recipient to law enforcement officials upon request.	Comply with federal requirements.
Simplified Food Stamp Program	No provision. AFDC and Food Stamp programs have similar but different eligibility rules.	Allows for a simplified Food Stamp program for TANF households, but it must be cost-neutral to the Food Stamp program.	Do not implement at this time, due to concerns about meeting cost-neutrality. Reconsider option once TANF program is finalized during 1997 legislative session.
Non-Citizens	Illegal non-citizens and those here temporarily are ineligible.	Food Stamp benefits are to be denied to non-citizens.	Implement federal law for applications within 30 days of enactment and by 8/22/97 for currently active cases.

MEDICAID

HR 3734 also includes changes to the Medicaid program. Previously, cash assistance recipients were automatically eligible for Medicaid; under HR 3734, that automatic link is severed and Medicaid eligibility must be determined separately. In determining eligibility, states may use the AFDC rules that were in effect July 16, 1996, or may use different income and asset rules, or may reduce income limits, but not lower than they were in May, 1988. Income limits may be increased up to the amount of the Consumer Price Index (CPI) increase.

Persons who lose cash assistance due to increased earnings are eligible for a one-year Medicaid extension; this is problematic for Connecticut, as our program provides a two-year extension to people who leave welfare for work.

Legal non-citizens are ineligible after January 1, 1997, unless the state opts to cover them. Non-citizens admitted after date of enactment are ineligible for five years, with the exception of refugees, asylees, veterans and active military personnel and their families. Emergency medical services may still be provided, but are limited to only those services provided in an emergency room, critical care unit or intensive care unit. Routine labor and delivery and organ transplants are specifically excluded from the definition of emergency services.

Recommendation

The state should continue to use the July 16, 1996 AFDC eligibility rules in determining Medicaid eligibility for families and will explore the possibility of providing a two-year extension of benefits under an 1115 waiver for those families who leave TANF for work.

Regarding the state option to cover legal non-citizens admitted prior to the date of enactment, the department recommends limiting Medicaid eligibility to those who were residents of Connecticut and are recipients of Medicaid as of January 1, 1997. Non-citizens who move from another state, or who were not active recipients as of the specified date, would be ineligible until they become citizens. Non-citizens who are eligible under this provision and who have been in the country more than five years would remain eligible only if they are actively pursuing citizenship or are unable to do so because of their medical condition.

Medicaid

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
AFDC eligibility for Medicaid	Recipients of AFDC are eligible for Medicaid by virtue of receiving AFDC (categorical eligibility).	Families will be eligible for Medicaid based upon the AFDC state plan that was in effect July 16, 1996. No categorical eligibility for TANF recipients. States may decrease income standards, but not below May 1, 1988; income and asset rules may be different. Income limits may be raised by an amount up to the increase in the CPI.	Families continue to be eligible based on July 16, 1996 standards.
Medical extension for families losing cash assistance	For families with earnings or ineligible due to child support, a two-year extension of Medicaid.	One-year extension if family becomes ineligible due to earnings. Four month extension for ineligibility from child support.	Continue two-year extension. Review possibility of accomplishing through 1115 Medicaid waiver.
Non-Citizens	Illegal non-citizens not eligible, but legal non-citizens are eligible.	Legal non-citizens, with certain exceptions, living in US at enactment become ineligible on 1/1/97 unless state opts to cover them. Legal non-citizens, with certain exceptions, who enter US after enactment are ineligible for five years. Illegal non-citizens not eligible.	Limit coverage of legal non-citizens to those who reside in CT as of 1/1/97 and who were receiving Medicaid as of that date, and who lived in US for less than five years. Those who meet first two conditions but have been here more than five years must become citizens.

SOCIAL SERVICES

BLOCK GRANT (SSBG)

HR 3734 extends the FY 1996 15% funding reduction through 2002. The appropriations bill subsequently enacted by Congress however, increased SSBG funding and the state expects to see an approximately 10.7% reduction, not 15%. Due to population adjustments and the lack of carry forward funds, the net effect will be a 13.7% reduction.

In addition, non-citizens admitted after the date of enactment (8/22/96) are ineligible (exceptions are made for refugees, asylees, veterans and active duty personnel and their families, and individuals who have worked at least 40 quarters under the Social Security Act while non-citizens admitted prior to 8/22/96 will continue to be eligible) for any federal means tested program. States have the option to cover those previously admitted.

Recommendation

The state will implement the mandatory provisions concerning new non-citizens for programs for which a means test is used. Because the SSBG is used to fund numerous federal programs, this will affect recipients of the state-funded Connecticut Home Care program for Elders, the Community-Based Services program, Bureau of Rehabilitation Services employment services, and programs administered by the Departments of Mental Retardation, Mental Health and Addiction Services, Public Health, the Board of Education Services to the Blind, the Office of Protection and Advocacy and the Commission on the Deaf and Hearing Impaired. In addition, contracted services to which the ban on new non-citizens will apply include legal services, child care services, counseling, case management and several other categories.

For those non-citizens admitted prior to the date of enactment, the state will continue to cover them with SSBG services.

SSBG

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Non-Citizens	No provision.	Immigrants, with certain exceptions, admitted after date of enactment are ineligible for federal means tested programs for five years; those previously admitted are eligible at state option.	Mandatory provisions regarding means-tested programs will be applied, making new legal non-citizens ineligible for five years. Includes the state-funded CT Home Care for Elders and Community-based Services programs, and programs run by DMR, DMHAS, BRS, DPH, Board of Education Services to the Blind, Commission on Deaf and Hearing Impaired, Office of Protection and Advocacy. Contracted services include legal services, child care, counseling, case management and others. Non-citizens here prior to enactment will continue to be eligible for SSBG services.
Funding reduction	SSBG funded at \$2.8 billion through FY 95; for FY 96, reduced by 15% to \$2.381 billion.	Extends 15% reduction through 2002. Appropriations act restored 1997 funding to \$2.5 billion.	Apply reduction across the board .

RESTRICTIONS ON NON-CITIZENS

As discussed earlier in prior sections, HR 3734 restricts benefits for legal non-citizens considerably (illegal immigrants are ineligible except for very limited emergency medical services).

Newly arrived legal immigrants are barred from federal means tested programs for five years. Legal non-citizens are barred from receiving Food Stamps or SSI until they become citizens. States have the option, however, of deciding whether or not to provide TANF, SSBG and Medicaid benefits to legal non-citizens in the country prior to the date of enactment. In general, however, exceptions are made for refugees, asylees, persons for whom deportation is being delayed for one year, veterans and active duty military personnel and their spouses and dependents, and for persons who have worked at least 40 quarters under the Social Security Act.

In addition, HR 3734 requires a state to provide at least four times a year to the Immigration and Naturalization Service (INS) any information the state has on persons who are here illegally.

Recommendation

Connecticut will implement the mandatory provisions concerning newly arriving immigrants and reporting to INS. For those legal noncitizens who were residing in the country at the time the law was passed, the department is recommending that the state will follow two general rules. For those who have been here more than five years, they would have to become citizens in order to receive benefits, or be unable to pursue citizenship due to medical conditions. For those who have been here less than five years, Connecticut would cover those who were residing in Connecticut and who were receiving benefits as of January 1, 1997.

SUPPLEMENTAL SECURITY INCOME (SSI)

HR 3734 continues new restrictions on SSI eligibility for children. By August 22, 1997, the Social Security Administration will redetermine the eligibility of child beneficiaries and will not use functional assessments and evidence of maladaptive behavior as qualifications for disability. There are approximately 1,446 Connecticut children who will likely become ineligible for SSI. Most of these children will become eligible for TANF and many are already eligible for Medicaid.

Furthermore, because legal non-citizens are barred from receiving SSI unless they can become citizens, some individuals receiving benefits under the state-funded Aid to the Aged, Blind or Disabled programs will become ineligible once they lose SSI. Some individuals who receive simply SSI will become ineligible but will still need some means of support. These individuals are likely to become eligible for General Assistance (GA).

Recommendation

To the extent that these individuals can become eligible for citizenship, their benefits can continue. Connecticut proposes to cover others under the GA program if they were receiving benefits as of January 1, 1997 and if they were residents of the state.

SSI

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Non-citizens	Low income elderly, blind or disabled permanent resident non-citizens, refugees, asylees and others are eligible.	Legal non-citizens ineligible until become citizens, with exceptions made for refugees, asylees, veterans and active duty personnel, spouses and families if in US less than 5 years. SSI rules apply to eligibility under state-administered Aid to Aged, Blind or Disabled program.	Will implement provisions for Aid to Aged, Blind or Disabled recipients who lose SSI. These persons likely will qualify for GA. Cover such persons under GA if here for more than five years and pursuing citizenship.
SSI for disabled children	Disability decision includes consideration of child's functional assessment and maladaptive behaviors.	By 8/22/97, SSI will no longer include consideration of functional assessments or maladaptive behaviors.	Approximately 1,446 children will become ineligible. Most will become eligible for TANF. Most of them are already Medicaid eligible.

The Emergency Food Assistance Program (TEFAP)

ISSUE	EXISTING RULE	HR 3734	RECOMMENDATION
Increase Funding	\$200 million is authorized nationally; Connecticut's share is \$358,000. State contracts with Connecticut Food Bank to distribute commodities to food banks, soup kitchens and shelters.	\$300 million is authorized nationally; Connecticut's share is should increase to approximately \$534,000 if Congress appropriates full amount.	Accept increased allocation and make it available through Connecticut Food Bank or other food banks.