

Welfare Reform '95



Commonwealth of Massachusetts

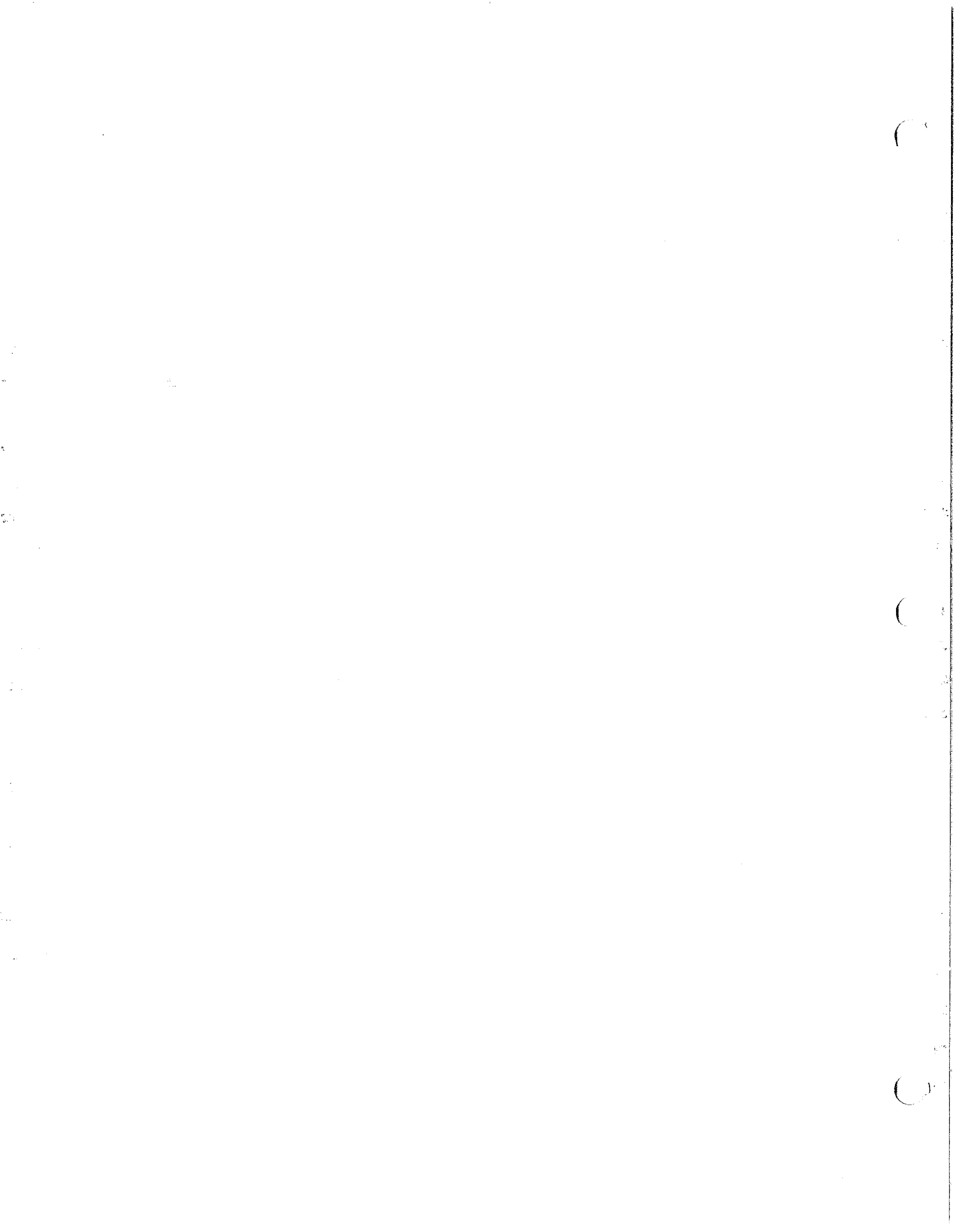
Executive Office of Health and Human Services

Department of Transitional Assistance



CONTENTS

I.	Executive Summary	
II.	Program Description	
	Definitions	II-1
	Exemptions	II-4
	Requirement to Redetermine Eligibility of all Recipients	II-6
	Initial Assessment/Employment Development Plan	II-7
	The Work Program	II-10
	The Community Service Program	II-12
	The Full Employment Program	II-13
	The MassJOBS Program	II-17
	Employment Incentives	II-19
	Time-Limited Benefits	II-20
	Family Cap/Child of Record	II-24
	Categorical Eligibility Based on Disability	II-27
	100-Hour Rule	II-28
	Paternity Identification and Determination of Good Cause	II-29
	Teen Parents: Structured Living	II-31
	Teen Parents: School Attendance	II-32
	Teen Parents: Grandparent Deeming	II-32
	Learnfare	II-33
	Immunization Requirement	II-35
	Program Sanctions	II-36
	Direct Payment of Rent to Landlords	II-41
	Increase in Asset Limit	II-43
	Treatment of Motor Vehicles	II-43
	Lump Sum Income	II-43
	Increased Penalties for Fraud	II-44
	Release of Program Information	II-46
	Report on Individuals with Default Warrants	II-46
	Clothing Allowance as a Voucher	II-47
	Supportive Services	II-48
	Community Service for Absent Parents	II-50
	Direct Deposit	II-50
III.	Waiver Citations	
IV.	Evaluation Plan	
	Attachments	
	A. EAEDC Medical Standards	
	B. Proposed Need/Payment Standards	
	C. Massachusetts Fraud Provisions	



EXECUTIVE SUMMARY

On February 10, 1995, Governor William F. Weld signed into law sweeping welfare reform legislation. This law, Chapter 5 of the Acts of 1995, was the result of bipartisan efforts over the past two years to replace the existing AFDC program in Massachusetts.

The reform plan, among the boldest and most far-reaching in the nation, will replace traditional cash assistance with work or community service requirements for all able-bodied AFDC recipients with school-age children. Incentives for employment are broadened to help families make the transition to work. A two-year limit on benefits for all non-exempt families is established, and benefit levels based on family size are capped. Child support enforcement is strengthened, and efforts to reduce fraud are enhanced. Finally, teen parents are required to complete school and live in an appropriate setting.

Implementation of this program will mark a turning point for low-income families in Massachusetts. The legislation provides benefits to support recipients who work and transforms a system that fosters dependency into one that promotes self-sufficiency. The results will be far reaching, for parents on AFDC, for their children, and for the taxpayers of the Commonwealth. In keeping with the philosophy of this reform plan, the Department of Public Welfare has been renamed the Department of Transitional Assistance.

PROGRAM OBJECTIVES

- To require work and individual responsibility.
- To make public assistance transitional in nature, assisting families in crisis without allowing welfare to become a way of life.
- To maintain and strengthen family life.
- To encourage teenage parents to live with their families or in supportive living situations, and to attain basic educational achievements.

THE NEED FOR AFDC REFORM

The need for change to the current welfare system is widely recognized. The AFDC program offers perverse incentives, and frequently fosters inappropriate behavior. As a result, the AFDC program faces a number of problems, including:

Lack of Attachment to the Work Force

More and more parents, both in two-parent and single-parent households, are now working. Over the last ten years, two-parent working families have become the norm, rather than the exception, as many couples, even those with young children, realize that both parents must work to support their families. In 1980, fewer than half the women in two-parent households worked; now 67 percent of mothers in two-parent families with children under the age of 18 are employed. Moreover, 66 percent of one-parent families are in the work force.

In contrast, only 8 percent of Massachusetts AFDC household heads are employed. Even in 1988, with the Commonwealth's Employment and Training Program in full force, and the unemployment rate in Massachusetts approaching full employment, more than 83,600 families remained on welfare. Despite the availability of jobs and job training, thousands of families went on welfare, and remained on welfare.

Taxpayers cannot be expected to shoulder the burden of taxes to support other parents who can, but do not, work. It is unacceptable social policy to expect some individuals to postpone childbearing until they can afford to have a family, or to work while they are raising their children, while we support other individuals who have children they cannot afford to support, or who choose to stay at home rather than accept the responsibility of supporting the children they have.

Long-Term Welfare Use

Although most people would agree that financial assistance should be available to help families through a period of crisis, there is growing concern that AFDC has become a way of life for too many families. The current system places no limit on the duration of assistance, except that dependent children must be under 18 years of age. Today, more than half of the families on AFDC in Massachusetts have received assistance for more than three years, and according to national data, more than two-thirds of the families currently receiving AFDC will receive welfare for eight years or more.

Massachusetts' welfare reform proposal is designed to ensure that all able-bodied parents support their families by becoming productive members of the work force, even if they work in community service or entry-level jobs. The Department recognizes that in order to achieve this goal, AFDC must be transformed into a transitional assistance program, which assists able-bodied recipients until they can enter or re-enter the work force.

Intergenerational Dependency

The current welfare system not only fosters parents' dependence on welfare as a way of life, it can also affect children. A number of studies have shown that the likelihood that children from welfare families will receive AFDC as adults is twice as high as the probability for children from non-welfare families. A preliminary review for Massachusetts indicates that more than 20,000 parents currently heading AFDC households were themselves children in an AFDC household in Massachusetts during the last decade.

There can be no doubt that children learn from their parents and from those around them. Children who grow up in families and communities where their parents and neighbors do not work fail to realize that other opportunities are available to them, and often adopt welfare dependence as an acceptable lifestyle.

Increased Out-of-Wedlock Births

The percentage of children born to unmarried single parents has grown dramatically over the last several decades, and research demonstrates that unmarried parents are at enormous risk of long-term welfare dependence. Thirty-nine percent of births to women aged 20 to 24 were to unmarried women in 1991, compared to nine percent in 1970. Moreover, the increase in births to unmarried women of all ages has increased. The total number of non-marital births to women of all ages in the United States was 89,500 in 1940. In 1991 the figure rose to 1,213,800. The current welfare system does nothing to discourage this trend, despite the fact that single-parenthood dramatically increases the likelihood that an individual will require public assistance. In fact, the Bureau of the Census reports that women on welfare have more children than women who do not receive such assistance, with fertility rates of about 2.6 children and 2.1 children, respectively.

The availability of welfare benefits and other welfare supports for teen parents has also helped to fuel births to unwed teens. In 1970, 30 percent of all children born to mothers 19 or younger were born to unmarried women; in 1992, this figure reached 88 percent in Massachusetts. Massachusetts currently ranks higher than any other state in the country in the percentage of births to teens that occur outside of marriage. The current welfare system exacerbates this problem by providing teen parents with a larger grant if they live on their own than if they live with their parents. In so doing, it encourages teen parents to set up their own households when they are not financially or emotionally prepared to do so.

Massachusetts' demonstration seeks to reorder the priorities of the welfare system. By integrating AFDC recipients into the work force, we can begin to break the cycle of dependence and eliminate the inequities wrought by our current system.

MAJOR REFORM INITIATIVES

Work Requirements: Able-bodied AFDC parents who are non-exempt and whose child of record is of school age must work 20 hours per week. This will include approximately 20,000 recipients.

Time Limits: Assistance is limited to 24 months in a 60-month period. Those participating in an approved education or training program as of January 1, 1995 will continue to receive benefits until they complete the program (with certain exceptions).

Exemptions: Those recipients exempt from the time-limit and the work requirement include:

- Disabled parents;
- Parents caring for disabled children or a disabled spouse;
- Parents with a child of record (the youngest child in the household when a family applies for assistance) under the age of two;
- Women in their third trimester of pregnancy;
- Parents with any child under three months;
- Parents under 20 attending high school; and
- Caretaker relatives.

Benefit Reduction: In order to encourage employment, all non-exempt recipients will be subject to a 2.75 percent reduction in cash assistance benefits (approximately \$15 per month for a family of three).

Work Incentives: All families subject to the 2.75 percent benefit reduction will be permitted to retain more of their earned income. The current four-month \$30 and one-third disregard is increased to \$30 plus one-half of earned income. Exempt parents will still keep \$30 plus one-third of earned income. In both cases, the deduction will remain in place for as long as a family is eligible for assistance.

Community Service: Able-bodied recipients with school-age children who seek paid employment but cannot find it must work a minimum of 20 hours in a community service position in exchange for assistance.

Employer Subsidies: The Full Employment Program is established to help finance employment opportunities for welfare recipients. Recipients who volunteer for the Full Employment Program will receive wages from their employer, plus a supplement from the Department, if necessary, to bring their income up to the level of AFDC and Food Stamp benefits. The state will pay participating employers \$3.50 per hour for each recipient for a period of nine months, and \$2.50 per hour for three additional months. An employer who hires a former recipient into non-subsidized employment receives a state tax credit of \$100 per month for a maximum of 12 months.

Teen Parents: As a condition of eligibility, parents under the age of 20 must have a high school diploma or GED, or be in a program to obtain one. In addition, they will be required to live in the home of a parent or responsible adult relative or, if there is abuse or neglect at home, in a supervised, structured setting.

Paternity Establishment/Child Support: The plan strengthens requirements for establishing paternity, and requires the Department of Revenue to certify the cooperation of program participants. To encourage responsibility on the part of absent parents, courts are authorized to order community service when a non-custodial parent is in contempt of a child support order.

Learnfare: Children under the age of 14 will be required to attend school. When a child misses eight days of school within three months without an acceptable excuse, the child will be placed on probation. The child's portion of the grant will be reduced after three unexcused absences in a month during a probationary period.

Family Cap: The Commonwealth will no longer provide benefits for additional children born to welfare recipients (with exceptions in extraordinary circumstances).

Immunization Requirement: Failure to provide proof to the Department that children have received necessary immunizations will result in the parental portion of the grant being reduced.

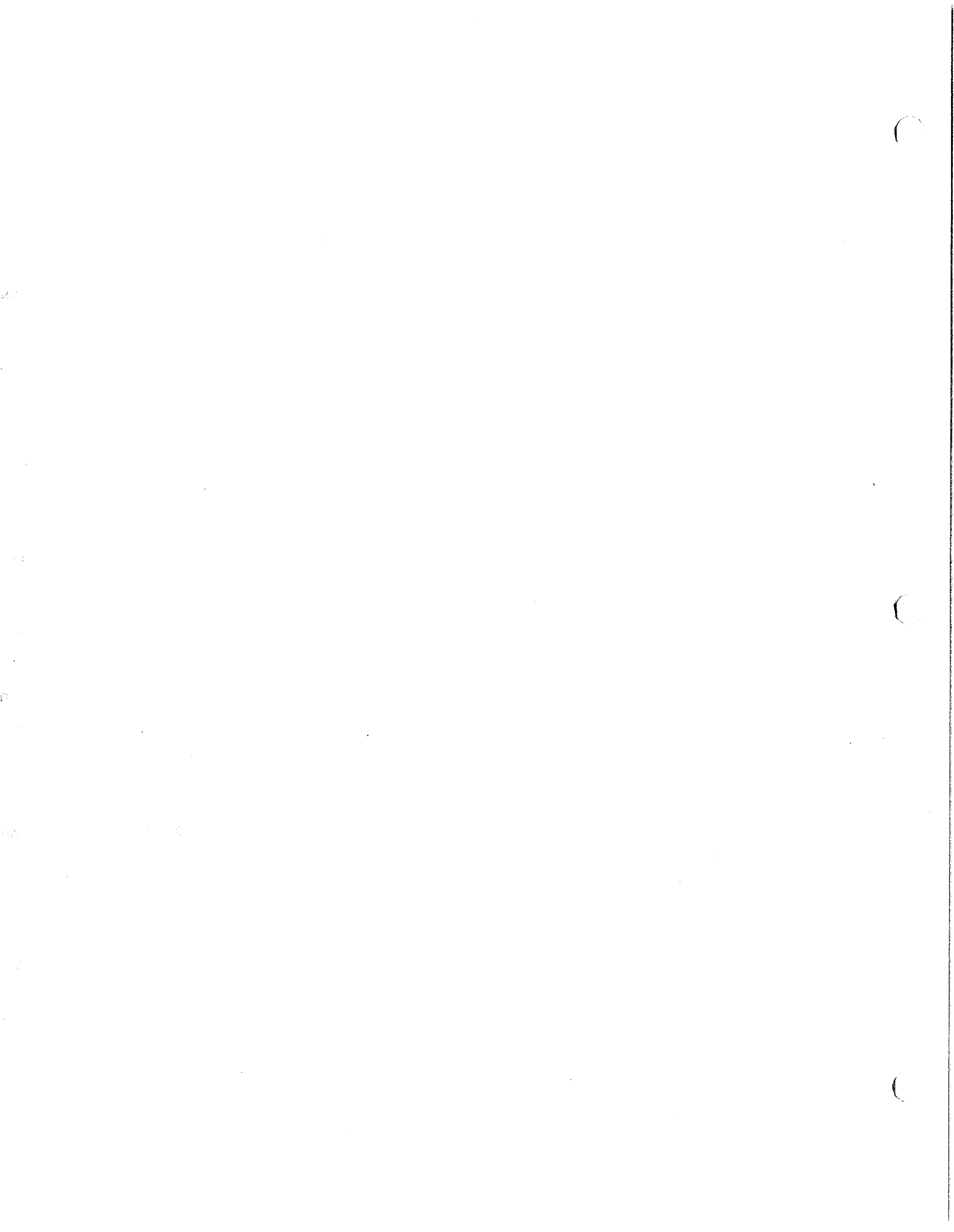
Direct Payment of Rent: If a recipient falls behind six weeks or more in rental payments, the Department is required, at the request of the landlord and after a hearing, to deduct the recipient's rent from her grant money and pay it directly to the landlord. Exceptions are made in cases of landlord/tenant disputes.

Assets: The allowable asset level for recipients is increased from \$1,000 to \$2,500.

Treatment of Motor Vehicles: The permitted value of a vehicle is changed from an equity value of \$1,500 to a fair market value of \$5,000.

Anti-Fraud: The program establishes wage assignment in cases of fraud or other overpayments, increased penalties for individuals who commit fraud, and denial of benefits for individuals with outstanding warrants.

Direct Deposit of Benefits: Recipients with bank accounts will be required to receive benefits through direct deposit.



PROGRAM DESCRIPTION

DEFINITIONS

Assistance Unit: Those individuals whose needs are considered in determining eligibility and the amount of the grant, and who are eligible to receive benefits under Aid to Families with Dependent Children (AFDC). All persons required to be in the assistance unit must be included in the filing unit.

Child of Mandatory Full Time School Age: A child who has turned six, or begun first grade, whichever occurs later.

Child of record: The youngest child of a parent: 1) receiving assistance on July 1, 1995, or the date the demonstration project is effective, whichever is later; or 2) in the case of applicants, at the time the family first applies for assistance after July 1, 1995, or the date the demonstration project is effective, whichever is later. A child born less than 10 months after July 1, 1995 (or the effective date of the demonstration project, whichever is later), or less than 10 months after the woman first applied for assistance will be considered to be the "child of record". In cases of two-parent families, the youngest child of either parent will be considered the child of record.

Department of Transitional Assistance (DTA): Formerly the Department of Public Welfare, the IV-A agency for the Commonwealth of Massachusetts.

Dependent Child: A needy child who is: 1) deprived of the support or care of one or both of his or her natural or adoptive parents through death, continued absence, incapacity, or unemployment; and either 2) under the age of 18; or 3) under the age of 19 if the child is a full-time student in grade 12 or below in a school not beyond the secondary level or a vocational or technical training program of the equivalent level designed to lead to gainful employment, and

the child is expected to graduate or complete the course of study or training before his or her 19th birthday.

Disabled Adult: An adult who meets the Department's definition of disabled. In order to be considered disabled, an adult must meet specific medical disability criteria established by the Department. These criteria will be similar to the Department's disability standards for its general assistance program -- Emergency Aid to the Elderly, Disabled and Children (EAEDC) -- with the following exceptions: 1) no recipient who is disabled solely on the basis of alcohol or drug dependency or whose disability is based in whole or in part on previous dependency will be determined to be disabled; and 2) vocational factors will not be taken into consideration in determining whether an individual is disabled. (The Department's EAEDC criteria are included in Attachment A.) Individuals eligible for SSI or SSDI, or determined eligible for disability benefits under Medicaid, will be presumed to be disabled, with the exceptions noted above.

Disabled Child: A child in receipt of SSI. However, a child who is disabled solely on the basis of alcohol or drug dependency or whose disability is based in whole or in part on previous dependency will not be determined to be disabled.

Employment Assistance Program: A MassJOBS component consisting of Job Placement, Job Readiness and Job Search Activities.

Filing Unit: Those persons whose income and assets must be considered in determining eligibility and the amount of the grant for the assistance unit, regardless of whether they are included in the assistance unit.

Grantees: Adults who are included in the AFDC grant, or who are not included in the grant because of a sanction. In a two-parent household, both parents are considered grantees. A grantee who is sanctioned does not become an ineligible grantee. For purposes of clarification, such individuals will be referred to as "Sanctioned Grantees". An adult who meets the definition

of a dependent child will not be considered to be a grantee. For purposes of simplicity, the Department has used feminine pronouns throughout this waiver to refer to grantees.

Ineligible Grantees: Adults who receive a grant on behalf of a dependent child, but who are not themselves included in the AFDC grant (except that sanctioned grantees are not referred to as ineligible grantees).

Sanctioned Grantees: Adults who would be included in the AFDC grant except that they are in a sanction status.

Teen Parent: A grantee or dependent child under the age of 20, who is a parent, or in the third trimester of her pregnancy if she has no other children.

EXEMPTIONS

Certain grantees are exempt from the 2.75 percent grant reduction, the 24-month time limit on benefits, and the Work Program requirements. (These provisions will be explained in greater detail below. The section entitled The Work Program also identifies additional recipients who are exempt from the Work Program requirement.) Exempt grantees include those who fall into one or more of the following categories:

- Disabled adults;
- Adults who are essential to the care of a disabled child or disabled spouse, as documented by a statement from a physician. In the case of parents who are not married, adults who are essential to the care of the other parent of their children will be exempt. In order for a grantee to be determined essential to the care of a disabled person, the disabled person must be in the home between the hours of 9 a.m. and 2 p.m. For example, if a disabled child is in school during the day, the grantee will not be considered to be essential to the disabled child's care, and will not qualify for this exemption.
- Pregnant women in their third trimester;
- Grantees who have a child-of-record under the age of two, or who have any other child under the age of three months;
- Teen parents under the age of 20 who are attending high school full-time, and are meeting the requirements of the structured living provision, as specified in the section entitled Supportive Living for Teen Parents; and

- Ineligible grantees -- however, ineligible grantees who have a legal obligation to support their dependent children will not be exempt unless they qualify for one of the exemptions identified above.

In two-parent households, both grantees must qualify for one of the above exemptions in order for the household to be exempt from the grant reduction and the 24-month time limit on benefits. Please refer to the section entitled The Work Program for further information regarding the Work Program requirements for two-parent households.

Once a grantee is determined to be exempt, she will remain exempt until the Department determines that the grantee's circumstances have changed and the grantee no longer meets the criteria for an exemption. The grantee will be required to immediately report to the Department any changes in circumstance which affect her exemption status.

A grantee who is determined to be non-exempt may appeal that decision through an administrative fair hearing; however, if the grantee is determined to be non-exempt as a result of the fair hearing, the period during which the appeal was pending will be included in the calculation of the assistance unit's 24-month maximum period of eligibility. (Please refer to the section entitled Time Limited Benefits for additional information.)

REQUIREMENT TO REDETERMINE ELIGIBILITY OF ALL RECIPIENTS

It will be necessary for all current recipients to reapply for assistance. The Department will determine an appropriate schedule for reviewing all AFDC cases, which may include prioritizing certain groups, such as teen parents, or using a random system, such as SSNs, to accommodate all of the reapplications. The Department will begin notifying grantees of the need for a review within 90 days of approval of this waiver. Grantees will be notified that they must appear for a scheduled appointment and comply with the requirement to complete the eligibility interview within 90 days unless they have good cause, as defined in the Department's regulations, or their cases will be closed. Grantees whose benefits are terminated for failure to meet this requirement will be notified and afforded an opportunity for a fair hearing.

INITIAL ASSESSMENT/EMPLOYMENT DEVELOPMENT PLAN

At the initial intake interview or reapplication, the Department of Transitional Assistance (DTA) worker will explain the new program rules, and the individual's rights and responsibilities. The worker will then determine whether the individual is exempt or non-exempt, and whether he or she is subject to the Work Program requirements.

The DTA worker will inform all non-disabled adults that the program is intended to provide transitional assistance on a time-limited basis. The worker will impart the Department's philosophy that any paid job, even an entry level job, is better than receiving welfare and more likely to lead to economic self-sufficiency than relying on welfare. All non-disabled adults will be encouraged to find work, and will be expected to focus their energy on obtaining jobs immediately.

A wide array of services aimed at assisting grantees to obtain work will be available, including Job Readiness and Job Search. These services, available through the Department's Employment Assistance Program, may be provided directly by DTA, or under contract with vendors. (Please refer to the section entitled MassJOBS Components for additional information.)

The grantee will be informed of job openings, including jobs available through the following programs/agencies: the Department's Full Employment Program, the Department of Employment and Training, the Job Training and Partnership Act (JTPA) Agencies, Regional Employment Boards (REBs), and local businesses.

An Employment Development Plan (EDP) will be completed for certain recipients to establish a plan which will lead to employment. The EDP will identify the specific MassJOBS components and other employment related activities which the individual will be responsible for completing. These activities will be designed to culminate in employment.

The EDP will also identify the supportive services which will be provided to the grantee. Once completed, the EDP will be signed by both the grantee and the DTA worker.

An EDP will be completed for the following:

- A grantee who the Department has determined must participate in a MassJOBS component because of the availability of unfilled slots;
- A grantee who has volunteered to participate in a MassJOBS component;
- All teen parents who have not graduated from high school;
- A grantee in need of supportive services in order to work or participate in education or training;
- Dependent children age 16 to 18, who are not in school, and therefore must participate in a MassJOBS component.
- A grantee referred to Community Service who: 1) has volunteered to participate in the Community Service Program; 2) has been mandated to participate in community service because of a failure to comply with another program requirement; or 3) is in need of supportive services in order to participate.

Except as noted above, an EDP will not be completed for a grantee who is participating in community service in order to meet her Work Program requirement.

DTA workers will review and update EDPs at each redetermination, or more often if appropriate. If a grantee fails more than once to fulfill the obligations of her Employment Development Plan without good cause, as defined in the Department's regulations, she will be required to participate in the Community Service Program. An initial failure by the grantee to participate in the Community Service Program, once mandated to participate, will result in a reduction in AFDC benefits equal to the grantee's portion of the grant. Failure by the grantee to participate in the Community Service Program on more than one occasion, once mandated to participate, will

result in the termination of assistance for the entire family for the remainder of the 24-month time limited benefit period.

This termination of benefits shall be subject to review by the Commissioner of the Department, or the Commissioner's designee. Exceptions to such termination will be granted in cases of failure to participate due to good cause. Whenever a sanction is imposed, the grantee can remove that sanction by meeting the participation requirements for a minimum of two consecutive weeks.

THE WORK PROGRAM

All non-exempt grantees who have received assistance for 60 days, and whose child of record is of mandatory full-time school age will be required to work a minimum of 20 hours per week. In two-parent households, both parents will be subject to the Work Program requirement; only one parent will be required to work if the child of record is not of full-time school age.

Grantees can meet this Work Program requirement by: 1) working in a job for which compensation is paid for 20 or more hours per week; 2) working full time in the Full Employment Program; 3) participating in the Community Service Program 20 hours per week; or 4) combining work and community service for a total of 20 hours per week.

Any grantee who works less than 20 hours per week for compensation will be required to perform community service. The number of hours of community service required each week will be the difference between 20 hours and the number of hours worked. For example, a grantee who works 15 hours per week will be required to work 5 hours per week in a community service job.

Any grantee required to participate in the Work Program who was participating in a MassJOBS component on January 1, 1995 will be allowed to complete the MassJOBS program, in accordance with time limits established in the Department's regulations, and such participation will count toward the Work Program requirement. A grantee will only be allowed to complete the program which she was participating in as part of an approved employment plan which was signed and approved no later than January 1, 1995. The family will continue to be eligible for assistance until the grantee completes the MassJOBS program, or reaches the 24-month limit on benefits, whichever is later. For the purposes of this section, a grantee who was participating in community service through the Department's TEMP-UP Program on January 1, 1995 will be determined to have "completed" the program when she ceases to participate in community service, or reaches her 24-month limit on benefits, whichever occurs first. (TEMP-UP is the

community service program required for Unemployed Parents under the JOBS Program.) A grantee will be required to comply with the requirements of the Work Program upon withdrawal or completion of her MassJOBS Program, and the 24-month time limit on benefits will remain in force, if applicable.

Any grantee who was on a waiting list for MassJOBS as of January 1, 1995 will be allowed to enter and complete the program, and such participation will count towards the Work Program requirement. However, while on the waiting list, the grantee will be subject to the Work Program requirements and the time-limited benefits, if applicable. Again, a grantee will only be allowed to enter and complete the program for which she was waiting if that program was included in an employment plan which was signed and approved no later than January 1, 1995. In addition, the grantee will be required to comply with the requirements of the Work Program upon withdrawal or completion of her MassJOBS Program, and the 24-month time limit on benefits will remain in force, if applicable.

Grantees may be sanctioned for failure to meet the requirements of the Work Program, and/or the Full Employment Program. Please refer to the section entitled Program Sanctions for an explanation of the various sanctions which can be imposed.

A grantee will be granted a 60-day period to look for work only once in a 60-month period. If the grantee's case closes, and the grantee reapplies at any time within the 60-month period of time-limited benefits, and the grantee is not working for compensation, that grantee will be referred directly to Community Service. If a grantee applies again after the 60-month period, the grantee will be permitted to look for work for another 60 days before the grantee will be referred to the Community Service Program. (Please refer to the section entitled Time-Limited Benefits for additional information about the 60-month period.)

THE COMMUNITY SERVICE PROGRAM

The Community Service Program will offer a wide range of transitional employment opportunities in public or non-profit organizations, which will provide work and/or training experience and supervision. Sites include schools, hospitals, volunteer organizations, family and individual shelters, soup kitchens, and many other public and non-profit locations, including the Department of Transitional Assistance. The Department's experience with the TEMP-UP Program has demonstrated the willingness of many employers to take part in a program of community service.

Grantees subject to the Work Program requirement who fail to obtain paid employment of at least 20 hours per week will be required to participate in the Community Service Program. Such grantees must select a community service site of their choice, subject to approval by the Department. If a grantee fails to select a site, the grantee will be assigned to a site by the Department.

Preference for Community Service Program slots will be given to those who are required to participate. Community Service Program slots will not be used to displace regular employees or to fill existing unfilled positions.

For an explanation of who is required to participate in the community service program, and the penalties for failure to do so, please refer to the sections entitled The Work Program and Program Sanctions.

THE FULL EMPLOYMENT PROGRAM

Approximately 2,000 jobs will be available through the Full Employment Program in the first year of implementation (SFY96). Subject to approval by the Department, any grantee may volunteer to participate in the Full Employment Program. Such volunteers will be given first priority for Full Employment Program jobs.

A grantee who is subject to the 24-month limit on benefits must have a minimum of nine months of benefits remaining in order to participate in the Full Employment Program. Exceptions may be made if slots are available, and there are no volunteers available to fill those slots.

The MassJobs Council and the Regional Employment Boards (REBs) will recruit employers for the Full Employment Program. The Department will expect jobs made available through the Full Employment Program to provide recipients with work experience which will enhance their ability to be successful in the job market.

Grantees who are placed in a job through the Full Employment Program will work 40 hours per week. They cannot be required by employers to work more than 40 hours, and may not be used to displace regular employees or to supplant existing vacancies previously established. Grantees will be paid a minimum of \$4.50 per hour. They will receive such wages in lieu of receiving cash payments under the AFDC Program, and Food Stamp coupons under the Food Stamp Program. (The only exception will be grantees who will continue to receive a cash supplement, as specified in more detail below.)

AFDC benefits and Food Stamps will be suspended at the end of the calendar month in which an employer makes the first wage payment to a participant (except for those grantees who receive a supplement, as noted below). Program participants who are eligible for Medical Assistance at the time they enter the program will remain eligible for health care coverage as long as they continue to participate in the program. A grantee's eligibility will continue to be redetermined,

and she may be terminated from all benefits and from the Full Employment Program should the grantee no longer meet the categorical or financial eligibility requirements for AFDC, Food Stamps and/or Medicaid. However, in determining financial eligibility, the Department will disregard all of the income earned by the grantee through the Full Employment Program job.

The Department will pool the AFDC cash grants and the cash value of Food Stamp benefits for all the grantees participating in the Full Employment Program. The Department will then reimburse employers for a portion of the wages which they pay grantees. The Department will pay employers as follows: for the first nine months that the program participant is employed by the employer, \$3.50 per hour; for the next three months, \$2.50 per hour.

If a grantee's countable wages are less than the amount she would have received if she were still receiving AFDC and Food Stamps, the Department will provide a supplement to the family so that the family will not be financially disadvantaged by working. In this context, countable wages consist of gross income, minus the \$90 work-related expense and the allowable dependent care deduction. (Although Full Employment Program wages will be disregarded for purposes of determining eligibility, such wages will be countable in determining the amount of a supplement, if any.) If applicable, the grantee will receive a supplemental grant each month, which will bring the grantee's total income up to the amount she would have received if she was still receiving AFDC and Food Stamps. The Department will calculate what the grantee's actual benefits would have been in making this determination.

In addition to paying the grantee's wages, the employer will pay \$1 for each participant hour worked into an Individual Asset Account (IAA), which the employer will establish for the grantee. The IAA will be owned by the grantee; access, however, will be restricted until the grantee leaves the program for an unsubsidized job of at least 30 hours per week, or after 12 months of participation in the program, whichever is sooner.

The purpose of the IAA is to allow grantees to increase their assets to reduce the likelihood of the grantee experiencing financial problems later. The resources contained in the IAA will not be

counted as an asset when determining eligibility for AFDC or Medicaid; the Department will seek a waiver to allow the IAA not to be counted as an asset under the Food Stamp Program. However, if the IAA becomes available to the grantee before her case closes, the IAA will be treated like any other asset.

Employers participating in the Full Employment Program will be required to: make program placements positive learning and training experiences for grantees; maintain the health, safety and working conditions at or above levels generally acceptable in the industry and no less than that of comparable jobs of the employer; provide on-the-job training as necessary for the grantee to perform his or her duties; provide on-the-job mentors from among regular employees to assist grantees in becoming oriented to work and the workplace; provide the grantee with the same sick leave, holiday and vacation benefits that are provided to all new employees; provide all benefits required by state and federal law for employees; provide workers' compensation to grantees; pay the grantee a wage of not less than \$4.50 per hour; and sign an agreement for each placement outlining the specific job offered to the grantee and agreeing to abide by all requirements of the program, including an agreement to repay reimbursements to the Department in the event that the employer violates program rules.

The Department will develop requirements for employer participation and procedures for excluding employers for failure to abide by program rules. No employer will be required to participate. The maximum number of program participants that an employer will be able to accept at any one time cannot exceed ten percent of the total number of the employer's employees, provided, however, that each employer may receive at least one participant. Employers who demonstrate a pattern of terminating grantees prior to completion of training, or not offering unsubsidized employment to participants who have successfully completed the program with the employer, will be ineligible to have additional participants.

Either the employer or the grantee may terminate the assignment by contacting the Department.

to another placement or another Work Program. At the employer's request, the Department may also provide the employer with another grantee.

If, after nine months in a placement, a grantee has not been hired for an unsubsidized position, the Employment Development Plan of the grantee will be reassessed. If, after 12 months in a placement, a grantee has not been hired for an unsubsidized position, the subsidy to the employer will be discontinued, and the Employment Development Plan of the grantee will be reassessed and the grantee may be assigned to another Full Employment Program job.

Program participants who have failed to maintain a Full Employment Program job after a minimum of three attempts will be reassessed and may be assigned to mandatory placement in the Community Service Program.

For the purposes of determining the one-year transitional child care and Medicaid provided to former recipients of cash assistance who have left the Program for employment, the transitional year will begin when the grantee is hired into an unsubsidized job and her case closes.

THE MASSJOBS PROGRAM

Identified below are the MassJOBS components which the Department will offer. Any grantee may volunteer to participate in a MassJOBS component; however, a non-exempt grantee who is subject to the Work Program requirement must meet her Work Program requirements in order to be approved for participation in a MassJOBS component. MassJOBS participation may be mandated for a non-exempt grantee if there are MassJOBS slots that are unfilled. The Department will develop criteria for targeting non-exempt grantees for such slots.

A grantee who is subject to the 24 months of time-limited benefits will not receive approval to include a component in her EDP unless she has sufficient time left on assistance to complete the component. In other words, a grantee will not be approved to begin a six-month training program if she is beyond her eighteenth month on assistance.

MassJOBS Components

- Employment Assistance Program
 - Job Placement activities -- includes identification of job openings, matching and marketing candidates, and securing interviews.
 - Job Readiness activities -- addresses workplace expectations and attitudes necessary for success.
 - Job Search activities -- includes individual and/or group counseling, job seeking, skills training, information and support.
- Education -- includes high school level, basic and remedial English for employment, and limited post-secondary education.

- Training -- ranges from informal short-term upgrading of existing job skills, to longer term formal instruction for the acquisition of new skills.

- Full Employment Program -- a wage subsidy program including job development, referral to subsidized jobs, and state tax credits for employers.

- Work/Community Service Program -- includes work or community work experience.

EMPLOYMENT INCENTIVES – Grant Reduction and Earned Income Disregards

In an effort to encourage non-exempt grantees to seek employment, the benefit levels of such recipients and applicants will be subject to a reduction in financial assistance, and the \$30 and one-third earned income disregard will be increased to \$30 and one-half for non-exempt working grantees. The grant reduction will establish a new payment standard which will be 2.75 percent below the current (SFY95) payment standard for a family of comparable size and income.

(Please refer to Attachment B for a list of the various grant levels per family size.)

The grant reduction will not alter the medically needy income standard currently in effect for the Commonwealth's Medicaid program. It will continue to be based on the SFY95 payment standards.

The increase from the \$30 and one-third earned income disregard to \$30 and one-half is an additional incentive for grantees to seek employment and will offset the decrease in public assistance with an increase in the amount of earned income which can be retained. In accordance with Massachusetts' welfare reform legislation (Chapter 5 of the Acts of 1995), the Department will not implement either the grant reduction or the \$30 and 1/2 disregard unless the other is also implemented. The statute permits the continuation of the \$30 and 1/2 disregard for the entire period the assistance unit is eligible for assistance.

The current \$30 and one-third earned income disregard will remain in effect for a grantee who is working in an unsubsidized job, is exempt, and has received AFDC within the previous four calendar months. The Department is requesting a waiver to make the \$30 and one-third disregard available to such grantees as long as they remain on assistance.

TIME-LIMITED BENEFITS

Non-exempt assistance units will be subject to a limit on the period of time for which they may receive assistance. (As previously noted, an assistance unit is subject to the time limit unless the grantee, or both grantees in a two-parent household, are exempt.) Such assistance units will be eligible for a maximum, cumulative 24-month period during a continuous 60-month period, unless an extension is granted by the Department. Upon receiving assistance for 24 months, an assistance unit will be ineligible for assistance for the remainder of her 60-month period, unless the grantee's status changes to exempt. When there is a break in assistance, the calculation of the 24 months of time-limited benefits is suspended, but the 60-month calculation is not. For example: a grantee first applies for assistance on January 1, 1996, and receives assistance for 22 months. At that time, the grantee's case is closed at her request. She reapplies for assistance six months later. If she meets all other eligibility criteria, she and her dependent children are entitled to only two remaining months of assistance. They will then be ineligible for assistance until the expiration of the 60-month period which began on January 1, 1996, and expires on December 31, 2000.

An assistance unit is considered to be "receiving assistance" for the purpose of calculating the 24-month time limit if that assistance unit:

- receives an AFDC cash grant in a month; or
- would have received a cash grant, but the benefit amount was less than \$10; or
- would have received a cash grant, but the grantee is participating in the Full Employment Program.

It is important to note that the calculation of an assistance unit's 24 months of time-limited benefits is not suspended during a sanction period, unless no one in the assistance unit is receiving cash assistance because of the sanction. The 60-month limit will continue to apply,

however, even in cases where the calculation of the 24-month time limit is suspended because the entire assistance unit is sanctioned. (Please refer to the section entitled Sanctions for additional information.)

The 60-month period will begin on the date the non-exempt grantee first becomes eligible for assistance as a parent, or the date the grantee reapplies for assistance as required by the Program. If a grantee's status changes from exempt to non-exempt, the 60-month period will begin at the time that the grantee is informed of the change in status and advised that she is now subject to the time limited benefit provision. For example, the Department will send a notice to a grantee whose youngest child is about to reach the age of two, informing the grantee that she will no longer be exempt due to the age of her child, and that she will be subject to the 24-month limit on benefits as of the date her child turns two. Grantees will be instructed to contact their workers if their circumstances have changed, and they have reason to believe they may be eligible for another exemption.

If a grantee's eligibility status changes to an exempt category during the 60-month period, the calculation of the 24-month maximum assistance period will be suspended and not resume until the grantee no longer qualifies for the exemption. The calculation of the 24-month period will also be suspended when a grantee leaves the program for some other reason -- e.g. a grantee asks to have her case closed; or the grantee no longer meets income or asset limits. In such cases, the calculation of the 24-month period will resume when the grantee is determined upon reapplication to be eligible for assistance and to be non-exempt.

A reapplication for assistance within the 60-month period will not be considered a new case for the purpose of determining eligibility. In other words, the 60-month period will continue to run, even if there is a break in eligibility. Regardless of whether the grantee receives assistance for 24 months during a 60-month period, a grantee will be eligible for a maximum of 24 months in any subsequent 60-month period.

If a teen parent is receiving AFDC as part of her mother's assistance unit, the teen parent and her child may reapply for benefits if the mother's case closes, or if the teen parent is no longer eligible for assistance under her mother's grant. At reapplication, the DTA worker will determine whether the teen mother is exempt or non-exempt. If she is non-exempt, her 24-month period of time limited benefits will begin at reapplication. This will require a waiver of the standard filing unit rule.

The Department may extend the 24-month limit on benefits under certain circumstances. Criteria which will be considered in granting such extensions include: 1) whether the grantee has received and/or rejected offers of employment, has quit a job without good cause or has been fired for cause; 2) the degree to which the grantee has cooperated, and is cooperating with the Department, in work-related activities; 3) whether appropriate job opportunities exist locally at that time; and 4) whether the grantee's inability to obtain employment is due to her need to care for a disabled child or adult for a portion of each month.

There may also be cases in which the 24-month time limit on benefits may be waived for a dependent child who is no longer able to live with his or her parent(s). These would include the following:

- 1) the death of the child's parent(s);
- 2) the incapacity of the child's parent(s), such that the parent cannot care for the child, and such incapacity is documented by a physician;
- 3) the custody of the child has been legally transferred to another parent, relative or custodian;
- 4) the incarceration of the parent(s), except that the child shall not receive assistance if the parent is released from custody and reunited with the child; and

- 5) the parent(s) is institutionalized -- for example, in a mental health facility or a hospital -- provided the institutionalization is expected to be for an extended stay.

If none of the above criteria apply, a grantee may request an extension of the 24-month limit by submitting a written request to the Commissioner or the Commissioner's designee, documenting the reason the extension is being requested. These cases will be reviewed and a determination made on a case-by-case basis.

FAMILY CAP/CHILD OF RECORD

An assistance unit is not eligible for an incremental increase in its cash assistance payment when an additional child is born after the "child of record". The child of record is defined as the youngest child of a parent: 1) receiving assistance on July 1, 1995, or the date the demonstration project is effective, whichever is later; or 2) in the case of applicants, at the time the family first applies for assistance after July 1, 1995, or the date the demonstration project is effective, whichever is later. A child born less than 10 months after July 1, 1995 (or the date the demonstration project is effective, whichever is later), or less than 10 months after the applicant first applied for assistance will be considered to be the "child of record".

The Department will provide assistance on behalf of a child born after the child of record if that child was born as a result of verifiable rape or incest. In addition, the designation of the child of record may be revised by the Commissioner in the following cases when a dependent child is no longer able to live with his or her parent(s):

- 1) the death of the child's parent(s);
- 2) the incapacity of the child's parent(s), such that the parent cannot care for the child, and such incapacity is documented by a physician;
- 3) the custody of the child was legally transferred to another parent, relative or custodian;
- 4) incarceration of the parent(s), except that the child shall not receive assistance if the parent is subsequently released from custody and reunited with the child; and
- 5) the parent(s) is institutionalized -- for example, in a mental health facility or a hospital -- provided the hospitalization is expected to be for an extended stay.

If none of the above apply, a grantee may request a change in the designation of the "child of record" by submitting a written request to the Commissioner or the Commissioner's designee, documenting the reason the change is being requested. These cases will be reviewed and a determination made on a case-by-case basis.

With the exception of any exemptions which are granted, the designation of the "child of record" will not change, even if the child no longer lives in the assistance unit, or subsequent children are born to the parent, or benefits are terminated and the parent reapplies for assistance.

An assistance unit is considered to be "receiving assistance" on July 1, 1995 (or in the month the demonstration project is effective) if that assistance unit:

- receives an AFDC cash grant in July 1995; or
- would have received an AFDC cash grant in July 1995, but the benefit amount was less than \$10; or
- would have received an AFDC cash grant, but the grantee was participating in the Full Employment Program.

While cash benefits will not be increased for a child born after the child of record, the child will still be considered to be categorically eligible for Medicaid and Food Stamps, and may be eligible for income-eligible child care, if applicable.

The need, payment and eligibility standards for such a family will not include the child born after the child of record. In other words, if a parent is working, and has one child who is the child of record, and another child born after the child of record, the Department will compare the filing unit's income to a family size of two, not three, in determining eligibility and benefit levels. The first \$90 of any countable income attributable to the child born after the child of record,

including child support, will be disregarded, and the remainder will be counted as income available to the assistance unit.

The Department will work with the Division of Medical Assistance (DMA) and the Department of Public Health (DPH) to ensure access to family planning information and services. Brochures and videos are available for local offices to provide information about family planning. At both initial application and redetermination, local office staff will also refer all grantees to DMA's Health Benefits Managers for comprehensive information about family planning, including, where appropriate, the implications of the "family cap". Grantees are eligible for Medicaid-covered family planning services through their Health Maintenance Organizations (HMOs) or Primary Care Physicians. In addition, grantees have free access to family planning information and services outside their managed care plans.

CATEGORICAL ELIGIBILITY BASED ON INCAPACITY

To ensure program consistency, and the equitable treatment of all applicants and recipients, the Department will establish one disability determination process for all grantees who claim to be disabled. This would apply to: 1) grantees who are requesting an exemption from the Work Program requirements, the 24-month time limit on benefits, and the grant reduction because of a disability, or the need to care for spouse or parent with a disability; and 2) two-parent households which have applied for AFDC because their dependent children are deprived of the support of a parent due to his or her incapacity. As noted previously, the disability criteria will be similar to the Department's current disability standards for its general assistance program -- Emergency Aid to the Elderly, Disabled and Children (EAEDC) -- with the following exceptions: 1) no recipient who is disabled solely on the basis of alcohol or drug dependency or whose disability is based in whole or in part on previous dependency will be determined to be disabled under the Program; and 2) vocational factors will not be taken into consideration in determining whether an individual is disabled. Individuals eligible for SSI or SSDI, or determined eligible for disability benefits under Medicaid, will be presumed to be disabled, with the exceptions noted above.

100-HOUR RULE

Under current federal regulations, a two-parent family is not eligible for AFDC if the principal wage earner works 100 hours or more per month, regardless of the amount that parent earns. It is widely recognized that this rule discourages some parents from working full-time since they risk the loss of both AFDC and Medicaid by doing so. In addition, it is believed to be a factor in the break-up of some families, and to discourage marriage in others. For these reasons, the 100-hour rule will be eliminated.

PATERNITY IDENTIFICATION AND DETERMINATION OF GOOD CAUSE

DTA will sanction any applicant or recipient who fails, without good cause, as defined by its regulations, to cooperate and to continue to cooperate with the Commonwealth's IV-D Agency, the Department of Revenue (DOR), to establish paternity or to establish, modify or enforce a child support order. The sanction will be a reduction in cash benefits by an amount equal to the grantee's portion of the grant. DOR will determine whether an applicant or recipient has cooperated, and is continuing to cooperate. DTA is requesting a waiver to allow the IV-D Agency to make the determination of non-cooperation without good cause, rather than the DTA. This transfer of responsibility will lead to more efficient and effective administration of the Child Support Program, since DOR is in a better position to determine on-going cooperation with IV-D requirements. Recipients will have the right to appeal such determinations to DTA.

An applicant or recipient shall be deemed not to have cooperated if the applicant or recipient fails, without such good cause, to furnish a sworn statement setting forth sufficient verifiable information about the non-custodial parent, or if more than one person may be a non-custodial parent, about each such person. Such information shall include the name and the social security number of the non-custodial parent, or the name of the non-custodial parent and at least two of the following items for the non-custodial parent:

- date of birth;
- address;
- telephone number;
- name and address of employer;
- names of parents; and
- the manufacturer's model and license number of any motor vehicle owned by the non-custodial parent.

An applicant or recipient who knowingly provides false information to DOR will be subject to prosecution for perjury.

When an applicant applies for cash assistance (or a recipient reapplies), the DTA worker will explain the individual's rights and responsibilities as they pertain to the Child Support Program and request the information identified above. If the individual provides the information, the worker will determine eligibility, and if eligible, refer the case to DOR with the appropriate child support information. If, however, the individual states that she does not know who the father is, and/or she cannot provide the information identified above, the applicant/recipient will be referred to DOR which will make the determination as to whether she has good cause for failure to provide the information. DOR will inform the DTA worker of its decision in a timely manner, so that the worker can take the appropriate action on the application within the required timeliness standards.

If DOR informs DTA that the applicant/recipient has failed, without good cause, to cooperate in establishing paternity or establishing, modifying or enforcing a child support order, the grant will be reduced by an amount equal to the grantee's portion. An applicant or recipient may contest such sanction at a hearing before DTA, but shall have the burden to prove cooperation with the DOR by a preponderance of the evidence.

Any grantee who is non-exempt will continue to be subject to all the appropriate requirements, including, but not limited to, the Work Program requirement, and the time limit on benefits during the sanction period.

TEEN PARENTS: STRUCTURED LIVING

Except in cases where abuse, neglect, or addiction to substances is present, no benefits will be provided to a family headed by a parent who is under the age of 20 unless the teen parent resides with a guardian, parent, grandparent, uncle, aunt, adult sibling, spouse, or other family member as determined by DTA regulations or lives in a structured setting approved by DTA. DTA may, however, determine that a teen parent has achieved the necessary educational and vocational goals, and acquired sufficient independent living skills and parenting skills to live on her own. DTA will promulgate regulations which specify under what types of situations such determinations may be made.

In situations where a teen parent asserts that she cannot stay at home because abuse, neglect, or addiction is present, or because of some other extraordinary circumstance which the Commissioner determines may exempt the teen parent from this requirement, the family will be evaluated by the Department of Social Services (DSS). The Department of Transitional Assistance will establish standards and procedures to govern determinations of abuse, neglect, addiction, and exceptional circumstances which exempt teen parents from this requirement.

Whenever DSS determines that abuse, neglect or addiction to substances is present, or the Department determines that it is otherwise in the best interest of the teen parent and her child, the parent will be required to reside in a structured setting in order to receive benefits. If a structured setting is not available at the time the determination is made, the teen parent will be exempt from this provision until such time as a structured setting is available. The Department will work with DSS to expand the availability of such settings statewide. Teen parents who are placed in structured residential settings will be required to pay a portion of their grant, as determined by the residential program, for rent.

At a minimum, structured settings will: 1) require pregnant and parenting teen parents to enroll and make acceptable progress in a program for a high school diploma or a general equivalency

degree (GED) certificate; 2) require pregnant and parenting teen parents to participate in basic parenting classes, basic life skills classes, and pregnancy prevention classes; 3) provide necessary rules and regulations to promote stability; and 4) provide regular counseling sessions to enhance the individual's self-esteem.

TEEN PARENTS: SCHOOL ATTENDANCE

All parents under the age of 20 who have not yet graduated from high school will be required to attend high school or a program for a general equivalency degree (GED) in order to receive benefits. Parents under the age of 20 who are attending high school full-time are exempt from the grant reduction, the 24-month limit on benefits, and the Work Program requirement. Once a parent under the age of 20 graduates from high school, however, that parent will be subject to the grant reduction and the 24-month time limit, unless she meets some other exemption criteria, such as having a child under the age of two. Such parent will also be subject to the Work Program requirements when her child of record reaches mandatory full-time school age, unless another exemption applies. The Department will provide child care for all teen parents who are unable to find suitable alternative child care arrangements.

TEEN PARENTS: GRANDPARENT DEEMING

The Department is requesting a waiver of the grandparent deeming rule to be applied in cases where a parent under the age of 18 is required to live with her parents. In cases where the parents of the teen do not receive cash assistance from DTA, the Department will disregard income up to 200 percent of the poverty level for a family of comparable size in determining the amount of the cash payment the young parent will receive. The income earned by the young parent will be treated in accordance with the Department's regulations. If the teen parent is required to live at home, and the teen's parents are receiving cash assistance from DTA, both the teen parent and her parents will be considered one assistance unit.

LEARNFARE

All non-disabled grantees must provide the Department with documentation that demonstrates that each school-age dependent child under the age of 14 has not missed more than eight school days during the previous quarter. (This provision will not apply if the child is not required to attend school under applicable state law.)

The grantee must provide the DTA worker with the appropriate documentation within 14 days after the end of each school quarter. Excused absences will not count toward this eight-day limit. The child's school will determine whether an absence is excused or unexcused; however, excused absences will include those due to: 1) illness, as certified by a physician or by other documentation determined to be appropriate by DTA; 2) hospitalization; 3) disability of the child; 4) death of a family member; 5) religious holidays; and 6) crisis situations.

Any non-disabled grantee who fails, without good cause, to provide the above documentation, or provides documentation that the child has had more than eight unexcused absences from school during the previous quarter, will be placed on probationary status. During the probationary period of time, the grantee will be required to provide monthly documentation of the child's school attendance.

If the child has more than three unexcused absences during any month in the probationary period, no aid will be paid to the grantee on behalf of the child the following month. If a child subject to a sanction is the only dependent child in the assistance unit, the grantee will continue to receive assistance as long as she meets all other eligibility criteria.

The grantee will remain on probationary status until such time as the number of unexcused absences during the six preceding school months does not exceed ten school days. Such probationary status may extend over the summer; however, there will be no reporting requirement for the parent during summer vacation periods.

Schools are required by Massachusetts statute to provide the required documentation of school attendance to parents at their request.

School Attendance for Other Dependents

Dependent children age 16 to 18, who are not in school, must participate in a MassJOBS component. Failure to do so will result in a sanction. (Please refer to the section entitled Program Sanctions for additional information.)

IMMUNIZATION REQUIREMENT

No parent or other guardian will receive her portion of the grant unless she provides a certificate of immunization for each dependent child, stating that the child has been immunized against diphtheria, pertussis, tetanus, measles and poliomyelitis, and any other communicable diseases as may be specified from time to time by the Department of Public Health. The parent or guardian will have 60 days to comply with this requirement, or provide a written statement of the immunizations that are necessary to bring the child's record up-to-date, and the date such immunizations have been scheduled. The statement must be signed by a physician. In cases where the parent or guardian submits a written statement that the child needs to be immunized, the grantee will be required to submit a certificate that the immunizations have been completed within 30 days of their scheduled appointment.

All recipients are provided medical assistance through the use of health maintenance organizations or primary care physicians. All necessary immunizations will be available at no cost from the recipient's provider, either directly or upon referral.

Failure to comply with this requirement without good cause will result in a sanction. In two-parent households, both parents will be sanctioned for failure to comply with this requirement. Good cause will be limited to cases in which: 1) a physician certifies that the child should not be immunized due to medical reasons; or 2) a parent or guardian states in writing that immunization conflicts with her religious beliefs. An amount equivalent to the grantee's (or both grantees') portion of the assistance grant will be deducted from any assistance provided to the assistance unit for failure to comply with this requirement. Once a grantee is sanctioned, the sanction will continue to be imposed until the proper documentation is provided.

PROGRAM SANCTIONS

There are a number of different situations under which a grantee, a dependent child, and/or an entire assistance unit may be sanctioned under the Program. They are outlined below, and also appear in the section of the waiver which addresses each specific provision. In two-parent households, the sanction may apply to both parents. JOBS conciliation and sanction rules will no longer apply, except those pertaining to grantees who fail to accept a job offer or terminate employment. Exceptions will be made for grantees with good cause for failure to comply with program requirements.

There may be cases in which more than one sanction may apply. For example, there is a unique sanction associated with the Full Employment Program; however, there is also a sanction for failing to fulfill an EDP. Since every participant in the Full Employment Program has an EDP, two different sanctions could apply; however, whenever there is a specific program sanction, the program sanction will always apply first. If the grantee still fails to comply with a requirement of the program, then the EDP sanction will be applied. (Please refer to Failure to Fulfill the Obligations of an EDP for additional information.)

It is also important to note that the calculation of an assistance unit's 24 months of time-limited benefits is not suspended during a sanction period, unless no one in the assistance unit is receiving cash assistance because of the sanction. In other words, if only the grantee's portion of assistance is deducted from the grant because of a sanction, each month the grantee is sanctioned counts as a month of "eligibility" in calculating the assistance unit's 24-month time limit on benefits, and the grantee continues to be subject to all applicable program requirements during a sanction period.

Furthermore, a grantee whose sanction continued throughout the remainder of her 24-month period of benefits would be subject to a period of ineligibility for the remainder of the 60-month period, as any individuals subject to the time limit on benefits would be.

In contrast, however, if the entire assistance unit is ineligible for cash assistance because of a teen parent's failure to comply with the structured living requirement, the 24-month time limit on benefits will be suspended until such time as the grantee complies with the requirement and begins receiving assistance again. The 60-month limit will continue to apply in such cases.

A grantee may be exempt from one of the following sanctions if the Department determines the failure to participate was due to good cause, as defined in the Department's regulations. Additionally, at any time a sanction is imposed, the grantee can remove that sanction by meeting the participation requirements for a minimum of two consecutive weeks.

Failure To Comply With The Work Program Requirement

A grantee may be sanctioned for failure to comply with the Work Program requirement, which includes failure to work 20 hours per week if employed, or failure to comply with the Community Service Program. The sanction will result in a reduction in assistance equal to the parent's portion of the grant. If mandated to participate in the Community Service Program, the sanctions imposed for failure to comply with an EDP will then apply. If two parents in a two-parent household are subject to the Work Program requirement, both parents can be sanctioned for failure to comply.

Failure To Meet The Requirements Of The Full Employment Program

Program participants who fail to maintain a program job after a minimum of three attempts will be reassessed and may be assigned to mandatory placement in the Community Service Program.

If mandated to participate in the Community Service Program, the sanctions imposed for failure to comply with an EDP will then apply.

Failure To Fulfill The Obligations Of An EDP

There is a four-step process to sanction a grantee for failure to fulfill the obligations of her Employment Development Plan without good cause. The first time a grantee fails to fulfill her obligation, she will receive a warning. If she continues to fail to meet her obligation, she will be required to participate in the Community Service Program. An initial failure by the grantee to participate in the Community Service Program, once mandated to do so, will result in a reduction in assistance equal to the grantee's portion of the grant. (Dependent children between the ages of 16 and 18 who have not finished school are required to participate in a MassJOBS component. If they fail to do so, they are taken out of the grant, not their parents.) Failure by the grantee to participate in the Community Service Program on more than one occasion, once mandated to do so, will result in the termination of assistance for the entire family for the remainder of the assistance unit's 24-month time-limited benefit period (unless the sanction is removed due to the grantee's compliance).

As noted previously, if the grantee is participating in a program that carries its own unique sanction for non-compliance, such as the Full Employment Program, the program sanction will be imposed first. If the grantee still fails to comply, the EDP sanction will be imposed; however, since the grantee will already be in a sanction status under the Full Employment Program, for example, the grantee will not be entitled to another warning, and will proceed directly to step 2 in the EDP sanction process. Further, if a grantee has a sanction removed because she has complied for a minimum of two consecutive weeks, and then she fails to comply once again, she will receive the sanction she would have received if she had not complied. For example, a grantee fails to maintain a Full Employment Program job three times. As a result, she is required to participate in community service, which becomes a part of her EDP. She fails to participate in community service and she is removed from the grant as a result. She subsequently participates in community service for two weeks, and her grant is restored. She immediately drops out of

community service again. It will not be necessary to begin at step one of the sanction process. Instead, the Department will immediately terminate the entire grant for failure to participate.

Failure To Cooperate With Child Support Enforcement

The Department will impose the sanction specified by 45 C.F.R. Part 232 for any applicant or recipient who fails, without good cause, as defined by the regulation, to cooperate, and to continue to cooperate with the Department of Revenue (DOR) to establish paternity or to establish, modify or enforce a child support order. DOR will determine whether an applicant or recipient has cooperated, and is continuing to cooperate. An applicant or recipient may contest such sanction at a hearing before the Department, but shall have the burden to prove cooperation with the DOR by a preponderance of the evidence.

Failure To Comply With The Structured Living Requirement

Except in cases where abuse, neglect or addiction to substances are present, no benefits will be provided to a family headed by a parent who is under the age of 20 unless the young parent resides with a guardian, parent, grandparent, uncle, aunt, adult sibling, spouse, or other family member as determined by Department regulations, or lives in a structured setting approved by the Department.

Failure Of Teen Parent To Meet Educational Requirements

A parent under the age of 20 will be required to graduate from, or attend a program for a high school diploma or a general equivalency degree (GED) certificate in order to receive any benefits for herself and her dependent child.

Failure To Comply With The Immunization Requirements

No parent or other guardian will receive her portion of the grant unless she provides a certificate of immunization for each dependent child, stating that the child has been immunized against diphtheria, pertussis, tetanus, measles and poliomyelitis, and any other communicable diseases as may be specified from time to time by the Department of Public Health. Once an assistance unit is sanctioned, the sanction will continue to be imposed until the proper documentation is provided.

Failure To Comply With Learnfare Requirements

If a child under the age of 14 has more than three unexcused absences during any month in a probationary period, no aid will be paid to the parent on behalf of the child until the grantee provides documentation that the child's school attendance meets the requirements of this provision. If the child subject to the sanction is the only child in the assistance unit, the parent will continue to receive assistance if she meets all other eligibility criteria.

Failure To Reapply For Assistance

It will be necessary for all current welfare recipients to reapply for assistance. Grantees will be notified in writing that they must comply with the requirement to complete an eligibility interview within 90 days unless they have good cause, or their entire case will be closed.

DIRECT PAYMENT OF RENT TO LANDLORDS

The Department may make rent payments directly to a landlord or property manager in the case of a grantee who has not paid any rent for six consecutive weeks after the rent was due, when the landlord or property manager requests direct payment. A finding of mismanagement of funds by the grantee will not be required in such cases.

Within two weeks of the request of a landlord or property manager for such direct payment, the Director of the Department's local office or the Director's designee will have a hearing to determine: 1) whether direct payments will be made, and the reasons for such payments; 2) whether the tenant prefers that the Department make direct payments; 3) a reasonable schedule for payment of rent in arrears; and 4) whether there are any violations of the health or sanitary code of the local code enforcement agency. The Department will notify the landlord or property manager, and the grantee of the hearing and the opportunity to testify. It will not be necessary to conduct a hearing in cases where the landlord requests direct payment and the tenant voluntarily agrees to such payment.

The Department will not make direct payments to the landlord or property manager if there is a dispute regarding the compliance of the rental unit with the health and sanitary code unless the Department has written notice that the housing meets the minimum requirements established by the code enforcement agency of the city or town. In cases where the code enforcement agency does not certify that the minimum requirements are met, the Department will place the rental amount into an escrow account to be released in accordance with the state provisions of such accounts in the statute governing landlord and tenant relations.

The amount of any payment made directly to the landlord or property manager will be deducted from any assistance paid to the grantee.

In cases where the Department determines that a payment will be made directly to the landlord, any arrearage will be paid in the same manner, in accordance with the schedule of payments established during the hearing, or if a hearing is not held, as agreed to by the grantee. Direct payment of rent and arrearages, once established, will remain in effect until one of the following occurs: 1) the grantee's AFDC case closes; 2) the grantee moves and no longer rents from the landlord receiving the payment; 3) there is a change in ownership/management, and the grantee no longer rents from the landlord receiving the payment; 4) the grantee and the landlord agree the direct payments should terminate; or 5) there is a new dispute regarding the compliance of the rental unit with health and sanitary codes.

INCREASE IN ASSET LIMIT

The asset limit for an assistance unit will be increased to \$2,500.

TREATMENT OF MOTOR VEHICLES

The portion of the fair market value of any licensed motor vehicle which exceeds \$5,000 will be counted toward the asset limit. If the applicant or recipient has more than one car, the entire fair market value of all but the first car will be counted as an asset.

LUMP SUM INCOME

Massachusetts is requesting a waiver of the lump sum rules and the income eligibility rules to allow the first \$600 of lump sum income to be disregarded as income in the month of receipt, for the purposes of determining eligibility both under the general income rules and under the lump sum rules. Any amount over \$600 will be countable for the purposes of these rules. After the month of receipt, if any portion of the \$600 is still available to the filing unit, it will be counted as an asset. For the purpose of determining lump sum income, the term "month" will mean the calendar month in which the amount is received.

INCREASED PENALTIES FOR FRAUD

Any individual who is found by a court of law to be guilty (including pleas of guilty and nolo contendere) of fraudulently obtaining assistance from any welfare program will be permanently disqualified from receiving benefits under that program. This penalty will result from the first conviction of welfare fraud, and will apply to the adult(s) only, not to any dependents in the case. In addition, such individuals will be required to repay an amount equal to the entire amount of assistance fraudulently received. This amount will be treated as an overpayment to the assistance unit and may be recouped as such.

An individual who is found to have fraudulently obtained assistance as the result of an administrative hearing will be ineligible for AFDC in accordance with current federal regulations unless the fraud was the result of the grantee filing two or more applications.

Any individual who is found guilty by a court of law (including pleas of guilty and nolo contendere), or is found to have committed an intentional program violation through an administrative hearing, which involves fraudulently obtained benefits under two or more separate applications, including applications filed in different states, will be permanently disqualified from receiving benefits under that program upon the first such finding. This penalty will apply to the adult grantee(s) only. Repayment will be required in an amount equal to the grants received from the date the second application is filed.

A grantee who fraudulently changes his or her eligibility status from a non-exempt to an exempt status in order to remain eligible for benefits, and is found guilty (including pleas of guilty and nolo contendere) by a court of law of having committed such fraud, will not be eligible for any program of assistance provided by the Commonwealth, including, but not limited to, programs administered by DTA, and/or the Division of Medical Assistance. Said grantee will also be required to pay full restitution and any fine imposed, and will not be eligible for any assistance

amounts, the grantee will continue to be ineligible for benefits under the program in which the fraud occurred. A recipient who is found through an administrative hearing to have received benefits fraudulently by changing her status from non-exempt to exempt will be ineligible for AFDC in accordance with current federal regulations. The recipient will continue to be eligible for other assistance provided by the Commonwealth.

Any individual found guilty (including by plea of guilty or nolo contendere) of committing fraud under sections 5B, 5F or 15 of Chapter 18 (please refer to Attachment C) will be ineligible to receive any benefits under any assistance program provided by the Department, including AFDC, until restitution has been made, any fine has been paid, and/or sentence has been served that resulted from the conviction.

RELEASE OF PROGRAM INFORMATION

The Department will disclose to the Massachusetts Department of Revenue and the Social Security Administration the identities of individuals who are or were illegally receiving public assistance due to their incarceration or commitment in a house of correction, boot-camp, prison, or other correctional facility. The Department will obtain this information from tape matches conducted with the Department of Youth Services and the Department of Correction.

This information will be of assistance to the Department of Revenue in investigating the accuracy of tax information filed by the identified individuals. Further, the Social Security Administration will be alerted to those individuals who are fraudulently receiving Supplemental Security Income.

REPORT ON INDIVIDUALS WITH OUTSTANDING DEFAULT WARRANTS

The Department will not issue benefits of any kind, including, but not limited to, cash assistance and Food Stamps, to any applicant or recipient of public assistance if an outstanding default warrant has been issued against that person by a Massachusetts court. The Department will exchange and compare data with the Warrant Management System of Massachusetts, a computer system that identifies those with outstanding warrants, in order to carry out this mandate.

The Department will forward the names and other identifying information of the individuals with outstanding default warrants to the appropriate criminal enforcement agency, including, but not limited to, the Bureau of Special Investigations, the Attorney General, the District Attorney, and the applicable local police department.

CLOTHING ALLOWANCE AS A VOUCHER

The Department is requesting a waiver in order to pay a clothing allowance in the form of a voucher, or vendor payment in the event a clothing allowance is authorized by the Legislature for SFY96. It is anticipated that the clothing allowance will be issued on a statewide basis, to all children under the age of 19, beginning in September 1995. Each child will be eligible for a clothing allowance of \$150. Families with more than one child will receive one voucher only, which will include the allowance for all children.

The vouchers will be generated through the Department's Special Services Payment System (SSPS), and will be issued by local office staff. Grantees will be notified that they may come into the office to pick up their vouchers on a specific date. (Issuance will be staggered by social security number so that local office staff can accommodate the number of clients who come in each day.) Each family will then be issued a voucher, which can be used solely to purchase clothing, at the store of their choice. The voucher will be issued in the name of the grantee, who will be required to present his or her identification when the voucher is picked up at the local office. The grantee will be the only person authorized to use the voucher.

If the grantee does not spend the entire amount of the voucher, the store will be authorized to provide the grantee with a merchandise credit for the remainder. The store will then submit the voucher to the Department for payment.

The Department's rigorous accounting procedures will be maintained to ensure program integrity. In addition, the Department will strive to produce a voucher which cannot readily be reproduced or duplicated.

The AFDC standard of need will be increased in the month of September 1995, and grantees will continue to receive the clothing allowance through November 1995 to accommodate new

SUPPORTIVE SERVICES -- (No AFDC Waiver Required)

Child Care

The Department will prioritize the use of Title IV-A funds for child care according to the following hierarchy:

- Grantees who need child care in order to work (including transitional child care);
- Teen parents who need child care in order to attend a school or GED program;
- Participants in the Full Employment Program;
- Participants in Education and Training; and
- Participants in community service.

The Department has established this hierarchy because the availability of child care is subject to appropriation. In the event that child care funding is insufficient, the Department may revise its policy to limit the participation of those in community service and Education and Training components, and thus reduce the demand for child care.

Transportation

The Department will also cover the cost of transportation to participate in MassJOBS if necessary; however, all other alternatives will be explored first, and the Department may exempt the grantee from participation for transportation-related reasons.

Health Care Coverage

Families will receive health coverage for 12 months from the time the grantee obtains a job and the family's cash grant ends. For those in the Full Employment Program, the transitional year will begin on the day the grantee is hired into a unsubsidized job.

(The Department is anticipating that additional health coverage will be made available at the end of the 12-month period through an alternative program provided by the Commonwealth. The Division of Medical Assistance (DMA) has submitted an 1115 waiver to the Health Care Financing Administration (HCFA) outlining its plan for health care reform. Under the MassHealth Plan, health insurance coverage will be provided for all families with income below 133 percent of the federal poverty level. In addition, approximately 75 percent of those with incomes below 200 percent of the poverty level will also be covered. Assuming the MassHealth Plan is approved at both the federal and the state level, DMA's 1115 waiver will cover virtually all of the families who leave AFDC and still have low income.)

COMMUNITY SERVICE PARTICIPATION FOR NON-CUSTODIAL PARENTS -- (No AFDC Waiver Required)

In order to increase the payment of child support for children who are on AFDC, a judge may order a non-custodial parent who has failed to pay his child support to participate in a Community Service Program for up to 25 hours per week. The Department of Revenue will work with the Trial Courts of the Commonwealth to carry out this provision.

DIRECT DEPOSIT -- (No AFDC Waiver Required)

Any grantee receiving cash assistance with an active account at a banking or financial institution must have his or her grant directly transferred to the account. In addition, all grantees will be encouraged to establish such accounts. The Commissioner may waive this requirement in the event that such banking institutions are not accessible; however, no waiver will be granted if public transportation to the bank is available within one mile of the household's place of residence. Grantees who are disabled may be granted exemptions if they can demonstrate that they would be unable to meet this requirement due to a lack of transportation which accommodates their disability.

The Department will continue to work with banking institutions to market direct deposit services. This will include having banking staff available in local offices to answer grantee's questions and complete the necessary applications/forms.

WAIVER CITATIONS

(1) **Reapplications - Current Recipients** (§120 of Chapter 5 of the Acts of 1995)

When the Demonstration Project is implemented, current recipients will be required to reapply for assistance. Recipients who fail to reapply will be terminated from AFDC. Waiver of 402(a) and various provisions of 45 CFR 206.10.

(2) **MassJOBS Participation**

At a minimum, MassJOBS will consist of the following components: Work Program, Community Service Program, Full Employment Program, basic education, skills training, employment assistance (job readiness and job search) and job development. Participation in MassJOBS will be mandatory if a recipient is subject to the 24-month time-limit for receiving benefits (waiver (12) non-exempt) and (i) whose child of record is of mandatory age for full time school (subject to the Work Program, waiver (4)) or (ii) whose child of record is at least 2 years of age but younger than the mandatory age for full time school and MassJOBS slots are available (waiver (7)). Additionally, MassJOBS participation will be mandatory for dependent children who are 16 years of age or older and who are not attending school full time and teen parents who have not graduated from high school and who are attending a GED program. If a recipient is not a mandatory participant, he or she may volunteer to participate subject to appropriations.

Waiver of 402(a)(19)(B) and (C) and various provisions of 45 CFR 250.30.

(3) **MassJOBS Sanctions/Conciliation**

The specific sanctions for failing to participate in MassJOBS will depend in part on whether the recipient is a mandatory participant and in which component the recipient is enrolled. See Work Program (waiver (4)); Full Employment Program (waiver (6)); Mandatory MassJOBS Participation (waiver (7)); and Teen Parents (waiver (23)) for the sanctions applicable to those components. Dependent children, who are 16 years of age or older and mandatory participants, who fail to participate will be sanctioned as follows: first occurrence - warning; second - mandated to participate in the Community Service Component; and third - grant reduction. Mandatory participants will not have Employment Plans developed unless the participant is (i) a

dependent child, (ii) participating in the Full Employment Program, or (iii) required to participate in a component other than, or in addition to, the Work Program because slots are available.

Volunteers will have Employment Plans developed for them. Volunteers will be sanctioned for failing, without good cause, to meet participation requirements as follows: first occasion - warning; second - required to participate in the Community Service Program; third - grant reduced by recipient's portion; and fourth - entire assistance unit ineligible.

Current JOBS sanctions with regard to refusing to accept or terminating employment, or reducing earnings, without good cause, will continue to apply to all mandatory participants.

Waiver of

- **JOBS Sanctions:** 402(a)(19)(G) and various provisions of 45 CFR 250.34 and 250.35
- **JOBS Conciliation:** 402(a)(19)(A) and various provisions of 45 CFR 250.36

(4) **Work Program** (§110(j) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions to allow Massachusetts to require families to participate in the Work Program, unless otherwise exempt, after the family has been on AFDC for sixty days. The Work Program will require participants to either work 20 hours per week or participate in the Full Employment Program. The work requirement may be satisfied by (i) working in a job for compensation, (ii) participating in the Community Service Program, or (iii) a combination of (i) and (ii). Employment plans will not be done for Work Program participants. Recipients who are required to participate in the Work Program and who fail do so, will be ineligible for assistance. For JOBS participation requirements and Federal Financial Participation, the Work Program will be considered a component of the MassJOBS Program.

- **JOBS Requirements and Exemption:** 402(a)(19)(A); 402(a)(19)(C) and various provisions of 45 CFR 250.30(a) and (b)
- **JOBS Sanctions:** 402(a)(19)(G) and various provisions of 45 CFR 250.34 and 250.35
- **JOBS Conciliation:** 402(a)(19)(A) and various provisions of 45 CFR 250.36

- **Assessments/Employment Plans:** 402(a)(19)(A) and various provisions of 45 CFR 250.41(a) and (b)
- **Community Service Program Requirements:** 45 CFR 250.63(d) and (f).

(5) **Grandfathering of 1/1/95 MassJOBS Participants from Work Program Requirements** (§110(f) and (j) of Chapter 5 of the Acts of 1995)

Waiver of 402(a) and the various provisions of 45 CFR 233.20(a)(1), to allow recipients who are not exempt from the Work Program but who were enrolled and participating in a MassJOBS component on January 1, 1995 to complete such component in lieu of having to participate in the Work Program. Additionally, such recipients will be eligible to receive assistance until they complete their component even if they would otherwise be subject to the time limit for receiving benefits (waiver (12)).

(6) **Full Employment Program** (§110(l) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions to allow Massachusetts to establish a Full Employment Program. Under this Program, a participant in lieu of receiving coupons under the food stamp program and AFDC cash payments will receive employment (must work 40 hours per week, for not less than \$4.50 per hour). If the participant's net wage amount is less than the participant's current grant plus food stamps, Massachusetts will supplement the amount necessary to equal such grant. If a participant's net wage amount is more than the participant's current grant plus food stamps, she will not receive a supplement, but will still be considered eligible for AFDC. In addition, an Individual Asset Account will be established by the employer for the participant at a rate of contribution of \$1 per hour of work. The participant will have no access to the account until he/she leaves the Program for a job of at least 30 hours per week, or after twelve months in the Program, which ever is sooner. The account will not be counted as an asset for purposes of determining eligibility. Employers will be reimbursed for a portion of the wages paid. If a participant fails to carry out a program job successfully after a minimum of three attempts, the participant will be reassessed and assigned a mandatory placement in the community service program component of MassJOBS. Upon the recipient's first failure to meet the community service program component requirements, without good cause, the adult recipient will be sanctioned, on the second occasion the entire assistance unit will be ineligible for assistance.

- **Individual Asset Accounts** - to make these accounts noncountable and to disregard as income deposits made to them, waiver of: 402(a)(7)(B) and various provisions of 45 CFR 233.20(a)(3)(i)(B); 402(a)(7) before clause (A) and various provisions of 45 CFR 233.20(a)(3)(ii), (xiv), and (xviii).
- **JOBS Sanctions**: 402(a)(19)(G) and various provisions of 45 CFR 250.34 and 250.35.
- **JOBS Conciliation**: 402(a)(19)(A) and various provisions of 45 CFR 250.36
- **Net Wages Exceed Grant** - to allow these participants to continue in the Program and to be considered AFDC recipients, Waiver of: 402(a)(7)(B) and various provisions of 45 CFR 233.20(a)(3)(ii).

(7) **Mandatory MassJOBS Participation - When Volunteers Do Not Fill All Available Slots** (§110(h) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions to allow Massachusetts to require MassJOBS participation of nonexempt recipients (subject to the time limit for receiving benefits) whose child of record is two years of age or older but younger than the mandatory age for attending school, and nonexempt recipients whose child of record is of or older than the mandatory age for attending school, if program availability level exceeds the number of volunteers. Employment Plans will be developed for these recipients. If a recipient fails to comply with his/her Employment Plan on two occasions the recipient will be required to do Community Service. If he/she fails to meet the Community Service requirements, he/she will be sanctioned and if he/she fails again, the entire assistance unit will be ineligible for assistance. For recipients whose child of record is of mandatory school age, MassJOBS participation will be in addition to the 20 hour Work Program requirement and in a component other than the Work Program.

- **JOBS Sanctions**: 402(a)(19)(G) and various provisions of 45 CFR 250.34 and 250.35
- **20 Hour Limitation**: 402(a)(19)(C)(iii)(II) and various provisions of 45 CFR 250.30(b)
- **JOBS Conciliation**: 402(a)(19)(A) and various provisions of 45 CFR 250.36
- **JOBS Requirements and Exemptions**: 402(a)(19)(C)(exemptions limited to those set forth in section 110(e) of Chapter 5 of the Acts of 1995 and various provisions of 45 CFR 250.30.

(3) **Community Service Program**

The Community Service Program (whether participating in it as part of the Work Program or to meet other requirements) will require participants to work a minimum of twenty hours per week. Mandatory participants will be given preference in placement in community service jobs over volunteers. Waiver of 402(a)(19)(B) and various provisions of 45 CFR 250.31 and 250.63(d) and (f).

(9) **Job Search**

Waiver of 402(a)(19)(A) and various provisions of 45 CFR 250.60(c), (d) and (e) to allow Massachusetts to require job search without time limit (elimination of the 4 month and eight weeks' limitations).

(10) **Different Level of Assistance for Families Who Are Exempt from Time Limit/Work Requirements and Families Who Are Non-Exempt** (§110(d) of Chapter 5 of the Acts of 1995)

Waiver of 402(a) and various provisions of 45 CFR 233.20, to allow Massachusetts to provide lower levels of assistance to families which are subject to the time limit for receiving benefits (waiver (12)) and the Work Program (waiver (4)) than to those families which are exempt. This request is dependent upon Massachusetts also receiving the waiver requested in (11).

(11) **Extension /Modification of the \$30 and $\frac{1}{3}$ Disregard** (§110(g) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions to increase the \$30 and $\frac{1}{3}$ disregard to \$30 and $\frac{1}{2}$ if a recipient's grant is at a reduced level (waiver request (10)) because she is not exempt from the benefit time limit/Work Program requirements and to allow the recipient to be eligible for the increase disregard for the entire period of her eligibility (potentially 24 months in a 60-month period). The current \$30 and $\frac{1}{3}$ disregard rules, without a time limit, will continue to apply to those applicants and recipients who are exempt from the benefit time limit and Work/Program requirements. 402(a)(8)(A)(ii) and (iv) and 402(a)(8)(B)(ii); and various provisions of 45 CFR 233.20(a)(11)(i) and (ii)(B); and 233.20(a)(1) and (7)(ii).

(12) **Time-Limited Benefits** (§110(f) of Chapter 5 of the Acts of 1995)

Waiver of 402(a), to allow Massachusetts to limit AFDC assistance for certain recipients to a period not to exceed 24 months during a continuous 60-month period.

Waiver of 402(a)(7), 402(a)(38) and various provisions of 45 CFR 206.10, to allow a dependent child who becomes a parent herself to be eligible for assistance for herself and child when her parent's case closes and she continues to live with her parent and otherwise meets teen parent requirements.

(13) **Family Cap/Child of Record** (§110(c) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions to allow Massachusetts to cap the amount of AFDC assistance a family will receive based on the size of the family as of July 1, 1995 or, if later, the first time the family receives or applies for assistance:

- **Needs Evaluation of Certain Relatives** 402(a)(7), 402(a)(38) and various provisions of 45 CFR 206.10 that requires certain relatives in the household to be included and evaluated for eligibility because they are related to other eligible members of the family.
- **Different Payments** 402(a) and various provisions of 45 CFR 233.20(a)
- **Definition of Dependent Child** 406(a) and 407.

(14) **Children Born After the Child of Record** (§110(c) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions, to allow Massachusetts to deny assistance to children born after the child of record even if the application is made on behalf of the child other than the child's parent(s), unless certain exceptions are met:

- **Needs Evaluation of Certain Relatives** 402(a)(7); 402(a)(38); 402(a)(41) and various provisions of 45 CFR 206.10 that requires certain relatives in the household to be included and evaluated for eligibility because they are related to other eligible members of the family.
- **Definition of Dependent Child** 406(a) and 407

(15) **Non-Assignment of Child Support Attributable to Children Born after the "Child of Record"** (§110(c) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions to allow up to \$90 of child support, per child, per month to be paid directly to the family rather than assigned to the state if such child support is directly attributable to child(ren) born after the "child of record" and results in an increase overall in the amount of child support paid to or on behalf of the family. Such amount of child support paid to the family will not be counted in determining the eligibility of the family for AFDC: 402(a)(38); 402(a)(7) before clause (A); and various provisions of 45 CFR 206.10(a)(1)(vii) and 233.20(a)(3)(i)(B) and (v). Children born after the "child of record" will be considered part of the filing unit but not part of the assistance unit. If a child born after the "child of record" does not receive child support but has other countable income, the first \$90 of the countable income will be deemed to be noncountable.

(16) **Categorical Eligibility Based on Incapacity**

Waiver of 402(a), 406(a) and various provisions of 233.90(c)(1)(iv) to allow Massachusetts to implement a single standard for incapacity. Determinations as to whether a child is deprived of parental support because of a parent's incapacity will be based on the same standard that will be used in determining if a recipient is exempt from the Work Program/time limit requirements. That standard will be similar to that used in the State's Emergency Aid for the Elderly, Disabled and Children Program.

(17) **Elimination of 100 Hr. Rule for Two Parent Families** (§110(g) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions to allow Massachusetts to provide assistance to a two parent family which includes a needy child regardless of whether the principal wage earner of such family is employed for one hundred hours a month or more: 402(a)(41); 407; and various provisions of 45 CFR 233.100(a)(1)(i) and (ii) and (c)(1)(iii); 233.101(a)(1) and (c)(1)(iii).

(18) **Determination of Good Cause/Child Support Enforcement** (§21 of Chapter 5 of the Acts of 1995)

Waiver of 402(a)(26)(B) and various provisions of 45 CFR 232.41, to allow Massachusetts to have IV-D workers make determinations regarding good cause for non-cooperation with child support enforcement requirements.

(19) **Verification of Good Cause/Child Support Enforcement** (§21 of Chapter 5 of the Acts of 1995)

Waiver of 402(a)(26)(B) and various provisions of 45 CFR 232.12(b)(3), to allow Massachusetts to require recipients to provide a minimal amount of information about a non-custodial parent in order to be deemed to be cooperating with child support enforcement. An affidavit attesting to the lack of any information will not meet this minimum requirement.

(20) **Requirement of Structured Settings for Teen Parents 18 Year of Age or Older but Under the Age of 20 Years** (§110(i)(1) of Chapter 5 of the Acts of 1995)

Waiver of 402(a) to allow Massachusetts to require 18-and 19-year-old parents who are recipients to live with certain relatives or in structured settings unless certain criteria are met.

(21) **Requirement of Structured Settings for Teen Parents Under 18 Years of Age** (§110(i)(1) of Chapter 5 of the Acts of 1995)

Waiver of 402(a)(43)(B) and various provisions of 45 CFR 233.107(a) and (e), to limit the exceptions to the requirement that parents under the age of 18 years who are applying/receiving benefits for themselves and their children live with certain relatives or in a structured setting to those set forth in the State's waiver request.

(22) **Structured Settings for Parents Under the Age of 20 - Requirement That a Portion of Grant Be Used to Pay Rent** (§110(i)(4) of Chapter 5 of the Acts of 1995)

Waiver of the money payment principal (no restrictions on the use of grants), 403(a)(1) and various provisions of 45 CFR 234.11, 234.60 and 234.120, to allow Massachusetts to pay a

portion of the grant of a recipient who is living in a structured setting directly to the residence for rent without a showing of mismanagement.

(23) **Limitation on Assistance to a Family Headed by a Parent Under the Age of 20**

(§110(i)(2) of Chapter 5 of the Acts of 1995)

Waiver of the following provisions to allow Massachusetts to deny or terminate assistance to a family headed by a parent under the age of 20 years, unless the parent has graduated from, or is enrolled in, a program for a high school diploma or a general equivalency degree certificate:

- 402(a)(19)(A) and various provisions of 45 CFR 250.41 JOBS Program - to allow Massachusetts to mandate basic education for those recipients who are head of households under the age of 20.
- 402(a)(19)(G) and various provisions of 45 CFR 250.34(a)(1),(c) and (e) and 250.35: JOBS sanctions-to allow Massachusetts to apply fiscal sanctions (denial or termination of the entire assistance unit) if head of household fails to attend school.
- 402(a)(19)(C)(v) and various provisions of 45 CFR 250.30(b)(1)(i) and (ii) to allow Massachusetts to require custodial parents under the age of 16 years to participate in basic education.
- 402(a)(19)(C)(ii), (iii) and (iv) and various provisions of 45 CFR 250.30(b)(6), (b)(7), (b)(9) and (b)(10), to allow Massachusetts to require school attendance even if the head of household is otherwise working, is needed in the home because another member of the household is disabled or ill, is a parent of a child under the age of 3 years, or is a VISTA volunteer.
- 402(a)(19)(C)(vi); various provisions of 45 CFR 250.30(b)(8);
- 402(a)(19)(E); and various provisions of 45 CFR 250.32(a) - to allow Massachusetts to require medically able pregnant AFDC recipients under the age of 20 to participate in basic education on the same basis as non-pregnant custodial parents under the age of 20.
- 402(a)(19)(A) and various provisions of 45 CFR 250.36 - to exempt the state from the requirement to have conciliation procedures to resolve disputes related to participation in high school or a general equivalency degree certificate program.
- 402(a)(19)(F)(i) and various provisions of 45 CFR 250.48 - to allow Massachusetts to preclude participation in vocational or technical training in lieu of attendance in an academic high school or education development certificate program.

(24) **Grandparent Deeming Rules** (§110(i)(1) of Chapter 5 of the Acts 1995)

Waiver of the following provisions to allow Massachusetts in determining the amount of a grant to be given to a recipient (under the age of 18) who is a parent and living with her/his own parent(s) to disregard the income of the household up to 200% of the poverty level for a family of comparable size unless such income is earned by the recipient: 402(a)(7); 402(a)(39) and various provisions of 45 CFR 233.20(a)(3)(xviii).

(25) **Learnfare** (§121 of Chapter 5 of the Acts of 1995)

Waiver of 402(a) to allow Massachusetts to impose a fiscal sanction when a child in the assistance unit, under the age of fourteen years, fails to attend school at a level prescribed by the State. No aid will be provided on behalf of such child.

(26) **Immunization Requirement** (§122 of Chapter 5 of the Acts of 1995)

Waiver of 402(a) and various provisions of 45 CFR 233.20(a)(3)(viii), to allow Massachusetts to impose a fiscal sanction on the adult recipient who does not provide a certification of immunization for each dependent child in the assistance unit. Both parents will be sanctioned in a two-parent assistance unit.

(27) **Direct Payment of Rent to Landlords** (§124 of Chapter 5 of the Acts of 1995)

Waiver of 403(a)(1) and various provisions of 45 CFR 234.11(a), 234.120 and 234.60 to allow Massachusetts to make rent payments directly to landlords or property managers if recipients fail to pay rent for six consecutive weeks. A showing of mismanagement will not be required. Also, a waiver of 403(a)(1) and various provisions of 45 CFR 234.11(a) and 234.120 to allow Massachusetts to include in the vendor payment a reasonable amount for the rent arrearage.

(28) **Increase in Asset Limit to \$2,500** (§110(b) of Chapter 5 of the Acts of 1995)

Waiver of 402(a)(7)(B) and various provisions of 45 CFR 233.20(a)(3)(i)(B), to allow Massachusetts to increase the resource limit from \$1,000 to \$2,500.

(29) **Treatment of Motor Vehicles** (§110(b) of Chapter 5 of the Acts of 1995)

Waiver of 402(a)(7)(B)(i) and various provisions of 45 CFR 233.20(a)(3)(i)(B)(2), to allow Massachusetts to exclude from "countable" assets the fair market value up to \$5,000 of one licensed motor vehicle. Any value in excess of \$5,000 will be countable. The full value of any motor vehicle over one will be counted.

(30) **Lump Sum Income** (§111 of Chapter 5 of the Acts of 1995)

Waiver of 402(a)(17) and various provisions of 233.20(a)(3)(ii)(F), to allow Massachusetts to treat as noncountable income in the month of receipt the first \$600 received as an inheritance, lottery or contest winnings, or as a damage award, for purposes of the gross income test and/or the lump sum rules. The balance of the amount received would be countable. After the month of receipt, the \$600, or any part thereof then remaining, will be counted as an asset.

(31) **Increased Penalties For Fraud** (§§110(F), 113 and 114 of Chapter 5 of the Acts of 1995)

Massachusetts will permanently disqualify from AFDC an individual on his/her first conviction for AFDC fraud. This will be limited to court convictions. Also, Massachusetts will permanently disqualify from AFDC an individual who is found to have fraudulently received AFDC under two or more separate applications. This latter disqualification will be applicable whether the finding was made by a court of law, an administrative hearing, or a waiver of such hearing. Such individuals will be required to reimburse Massachusetts the entire amount of AFDC paid (not limited to the overpayment portion) (§113 of Chapter 5 of the Acts of 1995).

In addition, an individual who is found guilty (court conviction) of fraudulently claiming to be exempt from the Work Program/time limit requirements will be ineligible for any other assistance program administered by the Commonwealth, including but not limited to, Medicaid, Food Stamps and Emergency Assistance, until the overpayment is repaid, any fine paid and any sentence served. (§110(f) of Chapter 5 of the Acts of 1995) Also, an individual who is found guilty (court conviction) of any other AFDC fraud, in addition to being disqualified permanently from the AFDC program, will be ineligible for Food Stamps, Emergency Assistance, the State's

Emergency Aid to the Elderly, Disabled and Children program, and any other program administered by the Department of Transitional Assistance, until the overpayment is repaid, any fine paid, and any sentence imposed, served in full. Similarly, if an individual is found guilty of committing fraud in any other program administered by the Department of Transitional Assistance, by a court of law, he or she will be ineligible for AFDC until full restitution is made, any fine is paid, and any sentence served in full. (§114 of Chapter 5 of the Acts of 1995)

Waiver of:

- **Fraud** 402(a) and various provisions of 45 CFR 235.112(c).
- **Eligibility** 402(a)
- **Recoupment** (not limited to overpayments) 402(a)(22) various provisions of 45 CFR 233.20(a)(13)

(32) **Release of Program Information - Department of Revenue** (§118 of Chapter 5 of the Acts of 1995)

Waiver of 402(a)(9) and various provisions of 45 CFR 205.50, to allow the Department of Transitional Assistance to notify the Department of Revenue whenever it is learned that a recipient or applicant has been incarcerated.

(33) **Disclosure of Applicant and Recipient Data to Warrant Management System** (§11 of Chapter 5 of the Acts of 1995)

Waiver of 402(a)(9) and various provisions of 45 CFR 205.50 restricting disclosure of applicant and recipient data, to allow Massachusetts to forward the identities of applicants or recipients who have outstanding default warrants to law enforcement agencies.

(34) **Ineligibility for AFDC if Applicant/Recipient Has an Outstanding Default Warrant** (§11(f) of Chapter 5 of the Acts of 1995)

Waiver of 402(a) to allow Massachusetts to deny or terminate assistance to anyone who has an outstanding default warrant against them if the warrant was issued by any court of the Commonwealth.

(35) **Clothing Allowance as a Voucher** (§132 of Chapter 5 of the Acts of 1995)

Waiver of 403(a)(1), **Money Payment principal**, and various provisions of 45 CFR 234.11 and 234.120, to allow Massachusetts to issue allowance as a special needs by voucher, rather than cash vouchers will be redeemable at various stores.

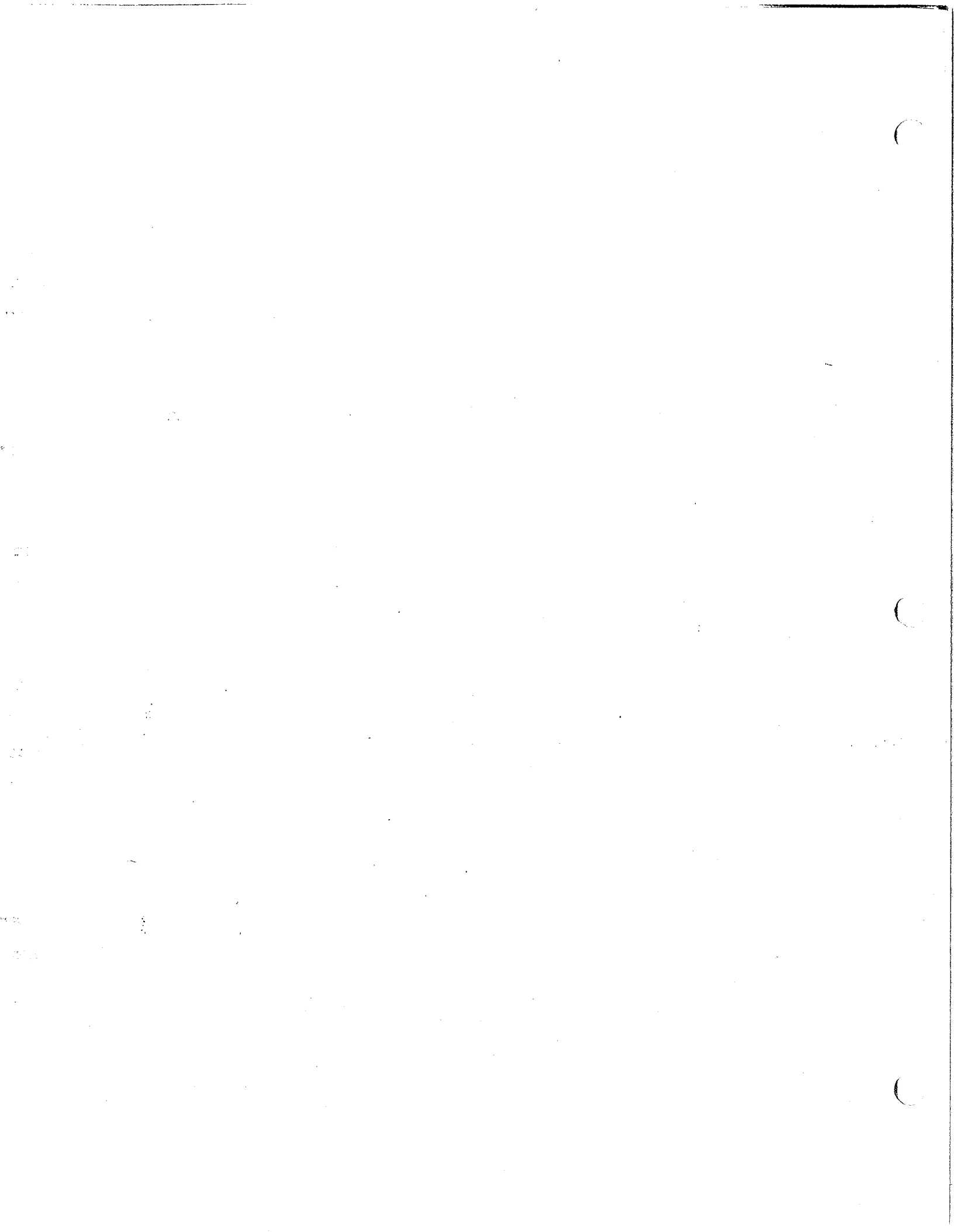
(36) **Implementation - Phase-In**

Waiver of 402(a) to allow Massachusetts to phase-in the Demonstration Project.

(37) **Control Group**

Waiver of the following provisions to allow Massachusetts to maintain a Control Group as to which current AFDC rules would apply rather than the various demonstration rules:

- Statewideness 402(a)(1) and various provisions of the regulations at 45 CFR 205.120(a) and 233.10(a)(1)(iv).
- Differential Payments 402(a)(1) and various provisions of 45 CFR 233.20(a)(1) and (2).



EVALUATION PLAN

The Commonwealth's welfare reform demonstration will be evaluated by an independent vendor using randomly selected experimental and control groups. The Department will issue a Request for Proposals (RFP) for an evaluation contractor within 90 days of the approval of this waiver request.

The RFP will include a general description of the objectives of the demonstration and the research questions to be addressed. The following section reflects the anticipated framework of the services to be procured through the RFP process.

Prospective vendors will be required to describe in detail their proposed evaluation plan, including the research approach, data collection methods, analytic techniques and variables to be used to address each of the hypotheses listed below.

The evaluation will consist of three major components: an impact analysis, which will measure the effects of the demonstration, and test each of the hypotheses described below; a cost/benefit study, to determine the financial impact of the demonstration; and a process study, to examine how the demonstration is implemented.

Hypotheses to be Tested

The impact evaluation will compare the experimental and control groups for statistically significant differences in selected outcome measures in order to test each of the following hypotheses:

- 1A. The demonstration will increase employment among AFDC recipients.**
- 1B. The demonstration will reduce AFDC expenditures.**

The most significant goal of this demonstration is to increase the labor force participation of AFDC recipients. At the same time, it is critical that cash assistance expenditures are reduced, in order to provide funding for child care services related to employment. Policy changes expected to achieve these goals include the time limit on assistance; increased earned income disregards; the AFDC grant reduction for non-exempt families; the full employment program; the work requirement; elimination of the "100 hour" rule; and changes to the treatment of vehicles and assets.

Outcome measures related to this research question include: employment rates; length of employment; amount of earned income; hours worked per month; AFDC participation; AFDC payment amounts; length of participation on AFDC; and rates of return to AFDC after leaving public assistance.

- 2A. The demonstration will result in increased paternity establishment.**
- 2B. The demonstration will result in improved self-sufficiency for AFDC recipients through child support collections.**

The reform plan strengthens child support enforcement through changes to the process for establishing paternity. The Department, through its contractor, will measure both the effect that the changes have on establishing paternity, and the impact of child support payments actually collected on families moving from welfare to work.

Outcome measures related to this question will include: the proportion of absent parent cases for which paternity has been established; total child support collected on behalf of AFDC families (including arrearages); and actual child support payments made to current and former AFDC families.

3. The demonstration will reduce the welfare participation of teen parents.

The reform plan places special emphasis on parents under the age of 20, requiring them to live in a structured environment and complete high school or a general equivalency degree program. In addition, provisions regarding grandparent deeming are being waived so that certain minor parents are not penalized financially for remaining at home. It is expected that these measures will improve the family stability of teen parents, and reduce their dependence upon AFDC.

Outcome measures related to this hypothesis include (as they relate to teen parents): employment rates; length of employment; amount of earned income; hours worked per month; AFDC participation; AFDC payment amounts; length of participation on AFDC; rates of return to AFDC after leaving public assistance; and educational attainment.

4. The demonstration will increase the educational attainment of AFDC dependents.

The reform plan recognizes the importance of educational attainment for the future achievement of children in AFDC families. The Learnfare provisions are designed to improve the school participation and completion rates for children of AFDC families, by requiring school attendance for all children under age 14.

Related outcome measures include: the proportion of children attending school regularly; drop-out rates; and rates of graduation and grade completion.

5. The demonstration will increase the proportion of children on AFDC who have been properly immunized.

The reform plan requires universal immunizations for AFDC children, in order to improve their health and reduce their dependence upon AFDC and other public assistance services.

The outcome measure related to this question is the proportion of children who have received the appropriate immunizations.

6. The demonstration will reduce the number of births to families receiving AFDC benefits.

Between 9 percent and 10 percent of all births in Massachusetts each year occur within families who have been receiving AFDC for the preceding nine months or more, decreasing the ability of those families to become self-sufficient. The family cap provision of the demonstration is designed to reduce the number of children born to families receiving AFDC.

The outcome measure related to this question is the number of children born to AFDC recipients.

7. The demonstration will result in an increase in two-parent families.

Currently, the majority of AFDC household heads have never married, and more than 90 percent are currently single parents. The presence of two parents in the home provides a higher degree of economic security, and is associated with a number of other positive outcomes for children. The demonstration is expected to result in an increase in the proportion of AFDC families entering into marriage as a result of eliminating the marriage disincentive of the "100 hour rule". In addition, the overall range of policy changes may have some impact on family formation.

Outcome measures related to this question include: marriage and separation rates, and changes in deprivation status between AFDC-Basic and AFDC-Unemployed Parent.

1. **The demonstration will result in a reduction in fraudulent activity.**

The demonstration increases the penalties for fraudulently obtaining welfare benefits. These changes should decrease the incidence of abuse in the AFDC program.

Outcome measures for this hypothesis include: referrals for fraud investigations and findings of fraud, including administrative disqualification, voluntary agreements, convictions or other adjudications.

2. **Program benefits provided as a clothing allowance will be targeted more effectively for the purchase of clothing for children.**

In the past, the Department has provided an annual clothing allowance to AFDC recipients as an unrestricted cash payment. This demonstration will convert this payment to a voucher which can be transacted only for the purchase of clothing.

The outcome measure for this hypothesis is the type of commodity purchased with the annual clothing allowance.

Experimental Design

The demonstration will be rigorously evaluated, comparing certain program outcomes of families assigned to experimental and control groups. These groups will be selected at random from families served by a limited number of local offices. The contractor selected through the RFP process will:

- Identify the minimum size of the experimental and control groups necessary to examine the validity of the hypotheses described above, using standard statistical tests, to a generally accepted degree of precision.
- Identify the minimum number of local welfare offices from which the experimental and control groups can be selected. In selecting these offices, the contractor will determine the

smallest number of sites possible, for the purposes of management efficiency and cost-effectiveness. The offices shall be selected to reflect the characteristics of the statewide caseload as well as other critical factors identified by the contractor.

- Develop and implement a methodology for random assignment of applicants and recipients that will result in experimental and control groups of the appropriate size.
- Develop and implement data requirements, methodology, and analysis for testing each hypothesis, as part of a comprehensive impact analysis of the welfare reform demonstration. The methodology will, to the fullest extent feasible, disaggregate the impacts of individual program components.
- Address potential methodological problems, such as changes in the family composition of experimental and control group members, attrition from those groups, unrepresentative samples, etc. The contractor will also be expected to develop strategies for identifying and minimizing such problems.
- Develop and implement a methodology to assess the fiscal effect of the welfare reform demonstration as part of a comprehensive cost/benefit analysis. This analysis will measure actual short-term costs and savings, as well as projections for long-term costs and savings. Distinctions will be made between the financial impact on the federal government and the Commonwealth.
- Develop and implement a methodology for a process study to assess how the demonstration is developed and implemented. The process study will include an evaluation of both organizational and service issues, and draw conclusions about the relationship between program management and program outcomes.

Cost Benefit Analysis

The contractor will perform a cost/benefit analysis to determine the overall impact of the demonstration on federal and state expenditures. The analysis will be based upon the experimental design developed for the impact analysis. It will take into consideration the broadest possible range of federal and state costs, and provide a distinct accounting of costs and savings by individual program area.

The cost/savings analysis will be designed to complement the impact analysis, so that specific components of the demonstration that generate significant impacts on costs and/or savings can be identified.

The analysis will be conducted on an ongoing basis throughout the duration of the evaluation. The initial analysis will be due after the first 12 months of operation and will be updated quarterly thereafter.

Programmatic costs and administrative expenditures (where appropriate) for the following programs, at a minimum, will be included:

1. Aid to Families with Dependent Children (cash assistance)
2. Food Stamps
3. Medical Assistance
4. Supplemental Security Income
5. Job Opportunities and Basic Skills Program
6. Child Care
7. Emergency Assistance
8. Child Support
9. Child Welfare Services (including foster care)

Specifically, the contractor will:

- Assign a monetary value to the costs and benefits of operating the welfare reform demonstration, identifying the specific costs and benefits to be evaluated.
- Allocate costs and benefits to program participants, Massachusetts, and the federal government.
- Project costs and benefits into the future.

Process Study

The final component of the evaluation will be a process study. This will analyze the way in which the demonstration is developed and implemented. The process study will include an evaluation of both organizational and service issues, and draw conclusions about the relationship between program management and program outcomes.

Data to be Collected

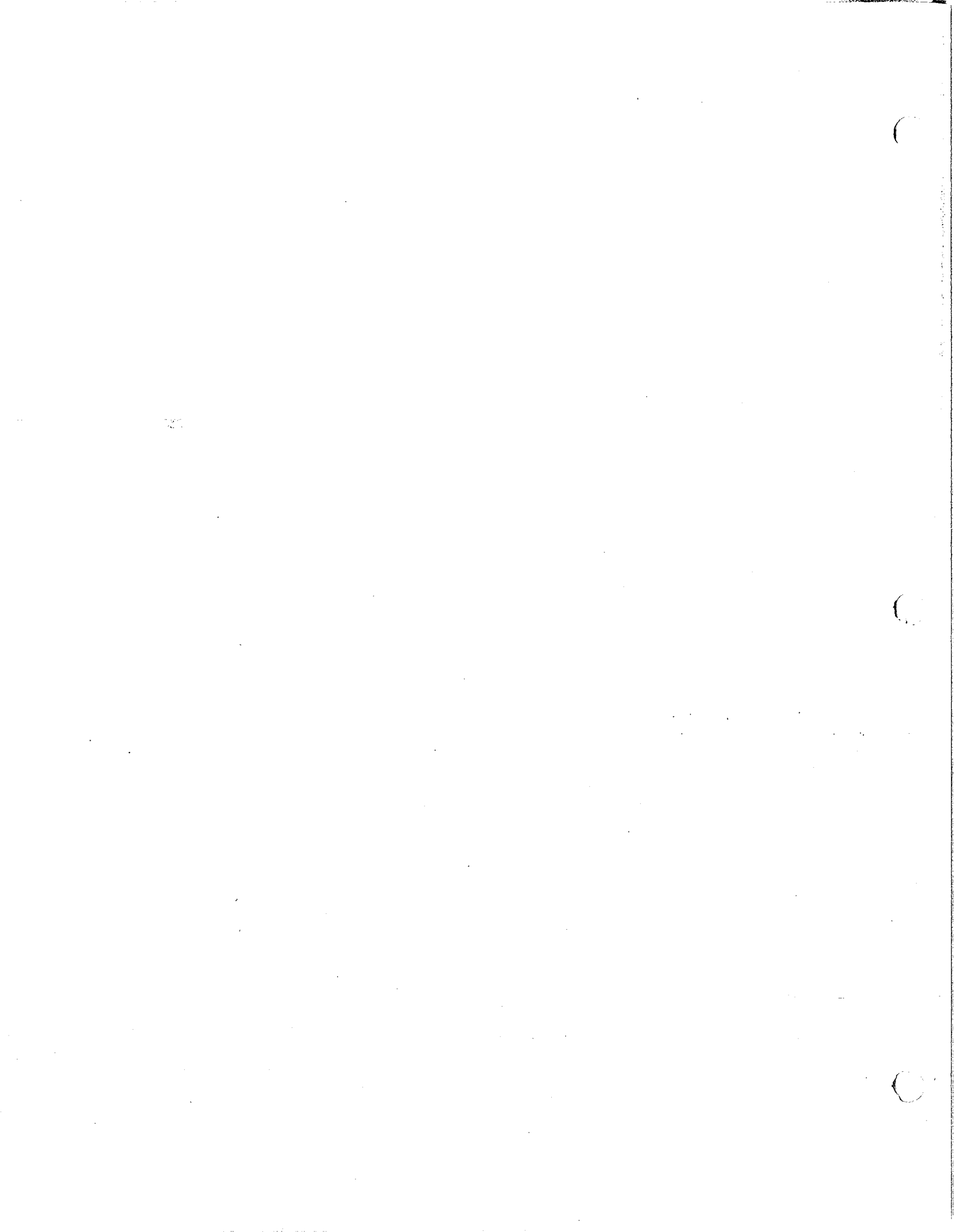
Program data to be collected for the evaluation include:

- Program participation data (dates of assistance, spell duration, exits, reopenings);
- Financial data (public assistance, earnings, other income, hours of employment);
- Demographic data (age, ethnicity, education, work experience, family composition, etc.);
- Child Support Enforcement data (paternity establishment, orders, current collections, arrears);
- Educational achievement (school attendance, graduation, grade advancement, drop-outs);
- Fraud statistics (referrals, investigations, findings, recoupment);
- Vital statistics (births, deaths, marriages, divorces);
- Information on clothing allowance purchases;
- Qualitative administrative information; and
- Other information identified by the evaluation contractor.

Data Collection Procedures

Data will be collected monthly, utilizing the automated eligibility systems of the Department of Transitional Assistance and other state agencies, including the Division of Medical Assistance and the Department of Revenue. Manual collection of data through surveys or interviews may be

necessary for specific information. This will be performed according to procedures developed by the evaluation contractor.



Attachment B: Proposed Need/Payment Standards



PROPOSED NEED/PAYMENT STANDARDS

Family Size	No Rental Allowance		Family Size	With Rental Allowance	
	Exempt	Non-Exempt		Exempt	Non-Exempt
1	\$352	\$343	1	\$392	\$383
2	446	434	2	486	474
3	539	525	3	579	565
4	628	611	4	668	651
5	720	701	5	760	741
6	814	792	6	854	832
7	906	882	7	946	922
8	997	970	8	1,037	1,010
9	1,088	1,059	9	1,128	1,099
10	1,180	1,148	10	1,220	1,188
For Each Additional Child, Add:	95	93	For Each Additional Child, Add:	95	93

