

FINAL REPORT
WELFARE REFORM STUDY COMMITTEE

TABLE OF CONTENTS

Appointment
Meeting Days
Charge by Legislative Council
Committee Information and Memoranda
Testimony Received
Legislative Proposals
Appendix: Copies of Legislative Proposals

AVAILABILITY OF MINUTES

Copies of the minutes of the meetings of the Study Committee are available from the Legislative Service Bureau.

F I N A L R E P O R T
WELFARE REFORM STUDY COMMITTEE

April 1989

APPOINTMENT

The Legislative Council created a Welfare Reform Study Committee in 1987 to study and make recommendations regarding reform of the welfare system in the state. As part of its final recommendations in the 1987 Interim, the Study Committee requested to be continued during the 1988 Interim. The Legislative Council reappointed the Study Committee for the 1988 Interim with the following members:

Senator Jean Lloyd-Jones, Co-Chairperson
Representative Mark Haverland, Co-Chairperson
Senator Charles Bruner
Senator Julia Gentleman
Senator Thomas Mann, Jr.
Senator Wilmer Rensink
Senator Richard Vande Hoef
Senator Joe J. Welsh
Representative Jack Beaman
Representative Phil Brammer
Representative Florence Buhr
Representative Joan L. Hester
Representative Lee J. Plasier
Representative Tom Swartz
Ms. Evelyn Davis
Mr. George Estle
Ms. Mary Kramer
Ms. Annie Lake
Mr. Bernie McKinley
Ms. Mary Ellen Miller
Mr. Dan Rogers
Mr. Calvin Sorenson

MEETING DAYS

The Study Committee was initially authorized for two meeting days, but requested and received authorization to hold a third meeting day during the legislative session. The Study Committee met at the State House on October 4, 1988, November 15, 1988, and January 20, 1989. In addition, an informal, unofficial discussion of issues related to a proposal by the Governor's Welfare Reform Council for administrative changes in the delivery of employment and training programs to public assistance recipients was convened

by Senator Lloyd-Jones on December 5, 1988.

CHARGE BY LEGISLATIVE COUNCIL

The Legislative Council directed the Study Committee to continue with the following charge from the 1987 Interim: Study and make recommendations to enhance the integration of existing human service and welfare programs into community and private enterprise systems, in order to provide long-term employment opportunities for public assistance recipients. The Study Committee was to evaluate the administrative structure of the Department of Human Services and existing human service and welfare programs, including the Work Incentive Program (WIN), the Individual Education and Training Plan Program (IETP), the Community Work Employment Program (CWEP), the Job Training Partnership Act (JTPA), as well as recent efforts related to family development teams, entrepreneurship assistance, and grant diversion efforts. These and other support programs such as child care and health care assistance were to be evaluated for their effectiveness in helping families achieve self-sufficiency.

For the 1988 Interim the Study Committee was directed to continue the above charge and to monitor implementation of legislation enacted during the 1988 Session, review proposals pertaining to employment and training self-sufficiency strategies, and submit a final report containing proposed legislation to the Legislative Council by December 15, 1988.

COMMITTEE INFORMATION AND MEMORANDA

Pursuant to requests from Study Committee members and from testimony presented, the following information and memoranda was distributed during the 1988 Interim:

1. An article published in the New York Times on September 23, 1988, entitled "Congress Leaders and White House Agree on Welfare".
2. The following items prepared for the October 4, 1989, meeting by the Department of Human Services and other executive branch agencies:
 - a. An overview of the state child day assistance program.
 - b. An overview of child day care resource and referral grants.
 - c. An overview of the transitional child care assistance program.
 - d. An overview of the extended medical assistance program.

- e. A descriptive packet of information regarding Project PROMISE (Promoting Independence and Self-Sufficiency through Employment).
 - f. An overview of Family Development and Self-Sufficiency Council activities including a packet of grant application material.
 - g. A flowchart of a new system to deliver work and training activities to welfare recipients under the proposal approved by the Governor's Welfare Reform Council.
3. A report to the Iowa Business Council prepared by the Public Policy Center at the University of Iowa entitled "The Welfare System and Barriers to Employment in Iowa.
 4. Written testimony of Mr. John Kiley entitled "Iowa JTPA Directors Association Testimony on Welfare Reform".
 5. The following items were submitted as part of testimony by Ms. Sally Jagnandan:
 - a. A document entitled "History and Current Status of employment and Training Programs for Welfare Recipients".
 - b. A document entitled "Concerns Regarding Welfare Reform".
 - c. A document entitled "Issues Raised in the Final Report of the Employment and Training Options for Welfare Recipients" prepared by the PROMISE Work Group on May 2, 1988.
 - d. A document entitled "Welfare Reform Proposal".
 - e. A letter from Ms. Joan Wheeler, Fifth Judicial District Juvenile Court Services, describing Work Experience Program participants and the Work Incentive program.
 - f. A document entitled "A Study of the Iowa Work Incentive (WIN) Demonstration Project" prepared by Ms. Ann Ryan of Congressman Berkely Bedell's office.
5. Written testimony of Mr. Thomas Urban.
 6. A paper prepared in paper bound book form by the Ford Foundation Project on Social Welfare and the American Future entitled "Toward a More Perfect Union: Basic Skills, Poor Families, and Our Economic Future".

TESTIMONY RECEIVED

During its three meetings, the Welfare Reform Study Committee received testimony regarding executive branch, legislative, and private business studies and initiatives pertaining to welfare reform. A number of recommendations were advanced for legislative activity and the Study Committee considered and recommended proposed bills for action by the General Assembly.

At its first meeting, Roger Herr of the Department of Management and the Governor's Welfare Reform Work Group, presented and coordinated a series of presentations regarding welfare reform activity during the period of 1986 through 1988 and proposals for the 1989 Session. Mr. Herr personally reported on administrative changes implemented by executive branch agencies as welfare reform initiatives. The following presentations reported on initiatives in legislation enacted during the 1988 Session:

1. Harold Poore of the Department of Human Services reviewed activity to implement a new state child care assistance program for the working poor and child day care resource and referral grants.
2. Ms. Ann Thompson of the Division of Children, Youth, and Families, Department of Human Rights discussed the efforts of the Child Development Coordinating Council.
3. Mr. Dan McKeever of the Department of Human Services reported on the implementation of the transitional child care assistance program for persons who no longer receive Aid To Families With Dependent Children due to earned income.
4. Ms. Anita Smith of the Department of Human Services reported on transitional medical assistance provided to persons who no longer receive Aid to Families with Dependent Children due to earned income.
5. Ms. Sandra Scott of the Department of Human Services discussed the Family Development and Self-Sufficiency Program and efforts regarding the awarding of grants.

Mr. Jeff Nall of the Department of Economic Development represented the Governor's Welfare Reform Work Group in discussing the Governor's Welfare Reform Council budget and program proposals for the fiscal year beginning July 1, 1989. In closing, Mr. Herr discussed a pending application to the federal government for a waiver which if accepted will result in federal financial participation in welfare reform initiatives which are financed with state-only funding.

At the second meeting, the Study Committee reviewed research regarding the welfare population and heard presentations relating to the Governor's Welfare Reform Council proposal to restructure the delivery of work and training programs to public assistance recipients. The presentations are summarized as follows:

1. Professor Peter Fisher, Public Policy Center of the University of Iowa, reviewed a document entitled "The Welfare System and Barriers to Employment in Iowa". As principal investigator for a study of the welfare system in Iowa which focused upon the relationship between the welfare system and the labor market that was commissioned by the Iowa Business Council, Professor Fisher reviewed preliminary findings and fielded questions from the Study Committee.
2. Ms. Myrt Levin, Executive Director of the Iowa Business Council, presented an overview of the Iowa Business Council Welfare Reform Committee structure. She described a comprehensive subcommittee structure and anecdotally shared preliminary findings.
3. Mr. John Kiley, a Job Training Partnership Act (JTPA) service delivery area director representing the JTPA Director's Association and Ms. Sally Jagnandan, Project Director for the Department of Human Services Des Moines district Work Incentive Program (WIN) briefly described the programs with which they are associated. They expressed opinions regarding the Governor's Welfare Reform Council proposal and jointly responded to questions from the Study Committee.
4. Mr. Thomas Urban, Chairman and President of Pioneer Hi-Bred, International and Chairman of the Iowa Business Council Welfare Reform Committee, discussed the Project. Among other comments, he stressed the importance of business involvement in developing policy to reform the welfare system.

Co-Chairperson Lloyd-Jones convened an informal, unofficial meeting of persons interested in the Governor's Welfare Reform Council proposal to restructure the delivery of work and training program to public assistance recipients. The discussion covered a number of concerns regarding the proposal and the efforts made toward its implementation.

LEGISLATIVE PROPOSALS

In the third and final meeting, the Study Committee reviewed a series of bill drafts prepared at the direction of the Co-Chairpersons and considered other proposals offered by members.

The proposed bills approved by the Study Committee for consideration by the General Assembly are attached to this final report and are summarized by the following titles:

1. A bill for an Act requiring the Department of Human Services to submit a federal waiver application to develop a pilot part-time employment project for certain recipients of Aid to Dependent Children (LSB 1511SI).
2. A bill for an Act requiring the Department of Human Services to provide notification of certain federal tax provisions to certain persons (LSB 1513HI).
3. A bill for an Act requiring the Department of Human Services to conduct certain studies relating to recipients of Aid to Dependent Children (LSB 1518SI).
4. A bill for an Act requiring the Department of Human Services to apply for a federal demonstration waiver regarding job training for certain child support obligors (LSB 1520HI).
5. A bill for an Act requiring the Department of Human Services to apply for a federal demonstration waiver regarding Aid to Dependent Children eligibility requirements (LSB 1523SI).
6. A bill for an Act relating to the purchase of child day care services by the Department of Human Services (LSB 1526HI).
7. A bill for an Act requiring the Department of Human Services to submit a federal waiver application relating to the statewide expansion of the self-employment investment demonstration project (LSB 2039SI).

A P P E N D I X

Legislative Proposals:

1. An Act requiring the department of human services to submit a federal waiver application to develop a pilot part-time employment project for certain recipients of aid to dependent children.
2. An Act requiring the department of human services to provide notification of certain federal tax provisions to certain persons.
3. An Act requiring the department of human services to conduct certain studies relating to recipients of aid to dependent children.
4. An Act requiring the department of human services to apply for a federal demonstration waiver regarding job training for certain child support obligors.
5. An Act requiring the department of human services to apply for a federal demonstration waiver regarding aid to dependent children eligibility requirements.
6. An Act relating to the purchase of child day care services by the department of human services.
7. An Act requiring the department of human services to submit a federal waiver application relating to the statewide expansion of the self-employment investment demonstration project.

SENATE FILE _____
BY (PROPOSED WELFARE
REFORM STUDY
COMMITTEE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring the department of human services to submit a
2 federal waiver application to develop a pilot part-time
3 employment project for certain recipients of aid to dependent
4 children.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

1 Section 1. FEDERAL WAIVER, ADC EMPLOYMENT PILOT PROJECT.

2 The department of human services shall submit an application
3 to the federal government for a waiver to develop a pilot
4 project of part-time employment available to recipients of aid
5 to dependent children on a voluntary basis. The waiver
6 application shall contain all of the following provisions:

7 1. Eligibility is limited to a recipient who is a single-
8 parent head of household whose youngest child is less than
9 three years of age. However, a recipient who is accepted as
10 an eligible participant may continue to participate in the
11 pilot project until the recipient's youngest child is six
12 years of age.

13 2. Child care services shall be provided for a
14 participant's minor dependents during the time the participant
15 is working.

16 3. In determining a participant's eligibility for aid to
17 dependent children under chapter 239, the department shall
18 disregard income in the amount prescribed under the rule
19 adopted pursuant to section 239.5, subsection 2, 441 Iowa
20 administrative code, rule 41.7(2)(c)(2).

21 4. The pilot project shall be offered at several sites
22 around the state.

23 5. The disregard of the participant's income shall
24 continue so long as the participant continues to participate
25 in the pilot project developed under this section.

26 EXPLANATION

27 This bill requires the department of human services to
28 apply to the federal government for a waiver to develop and
29 operate a part-time employment project for volunteer
30 recipients of aid to dependent children. Initial eligibility
31 is limited to a recipient whose youngest child is less than
32 three years of age. However, an eligible participant may
33 continue to participate until the youngest child is six years
34 of age. The pilot project shall include child care services
35 while the participant is working. The department shall apply

1 the income and resource disregards to a participant in the
2 pilot project in determining eligibility for aid to dependent
3 children so long as the participant continues to participate
4 in the pilot project. Under current rules, the income
5 disregard is limited to twelve months. The pilot project is
6 required to be offered at several sites in the state.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE _____
BY (PROPOSED WELFARE REFORM
STUDY COMMITTEE BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring the department of human services to provide
2 notification of certain federal tax provisions to certain
3 persons.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1 Section 1. NOTIFICATION OF FEDERAL EARNED INCOME TAX
2 CREDIT. The department of human services shall notify a
3 recipient of aid to dependent children under chapter 239 with
4 earned income or a recipient who become ineligible for such
5 assistance because of earned income, of the existence and
6 applicability of the federal earned income tax credit. The
7 notification shall include information regarding provisions
8 for advance payment of the credit through the person's payroll
9 check.

10 EXPLANATION

11 This bill requires the department of human services to
12 provide notification of the federal earned income tax credit
13 to certain recipients and former recipients of aid to
14 dependent children. The notification shall include
15 information on the method to apply for advance payment of the
16 credit on the recipient's payroll check.

17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE _____
BY (PROPOSED WELFARE REFORM
STUDY COMMITTEE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring the department of human services to conduct
2 certain studies relating to recipients of aid to dependent
3 children.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. STANDARD OF NEED AND RECIPIENT CHARACTERISTICS
2 STUDIES. The department of human services shall conduct a
3 study to determine a new standard of need for eligibility
4 purposes under the aid to dependent children program. The
5 department shall also study the following characteristics of
6 current recipients or former recipients of aid to dependent
7 children:

- 8 1. Demographic characteristics.
- 9 2. The employment history of current recipients.
- 10 3. The employment history of persons who become ineligible
11 for assistance due to earned income.
- 12 4. Characteristics of recipients who receive assistance
13 for more than five years, in five-year increments, and of
14 recipients who receive assistance for five years or less.

15 EXPLANATION

16 This bill requires the department of human services to
17 conduct a study to establish a new standard of need for
18 eligibility for aid to dependent children. The bill also
19 requires the department to conduct studies of the
20 characteristics of current and former recipients of aid to
21 dependent children.

22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE _____
BY (PROPOSED WELFARE REFORM
STUDY COMMITTEE BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring the department of human services to apply for a
2 federal demonstration waiver regarding job training for
3 certain child support obligors.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1 Section 1. FEDERAL WAIVER APPLICATION. The department of
2 human services shall apply to the federal government for a
3 demonstration waiver to develop a project to provide
4 employment training to child support obligors where the
5 obligees are recipients of aid to dependent children under
6 chapter 239.

7 EXPLANATION

8 This bill requires the department of human services to
9 apply to the federal government for a demonstration waiver to
10 provide employment training to child support obligors where
11 the obligees are recipients of aid to dependent children.

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE _____
BY (PROPOSED WELFARE REFORM
STUDY COMMITTEE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring the department of human services to apply for a
2 federal demonstration waiver regarding aid to dependent
3 children eligibility requirements.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1 Section 1. WAIVER OF ADC EARNED INCOME DISREGARD.

2 1. The department of human services shall apply to the
3 federal government for a demonstration waiver to develop a
4 voluntary project in one service district of the department of
5 human services in which the amount of earned income, which is
6 disregarded in considering eligibility for aid to dependent
7 children under chapter 239 is subject to the provisions of
8 this section. The department of human services shall enroll
9 in the voluntary project a recipient of aid to dependent
10 children who chooses to participate, however, enrollment is
11 limited to one time only. The project shall provide that a
12 participant's earned income is disregarded according to the
13 following schedule:

14 a. One hundred percent during the first six-month period.

15 b. Seventy-five percent during the second six-month
16 period.

17 c. Fifty percent during the third six-month period.

18 d. Twenty-five percent during the fourth six-month period.

19 2. A participant who does not claim earned income during
20 any one of the six-month periods of the demonstration project
21 is not permitted to continue participation and is not
22 permitted to reenroll in the demonstration project.

23 EXPLANATION

24 This bill requires the department of human services to
25 apply to the federal government for a waiver to establish a
26 voluntary demonstration project in which the amount of earned
27 income is disregarded, according to a schedule contained in
28 the bill, when considering a recipient's eligibility for the
29 aid to dependent children program. The demonstration project
30 is limited to one district of the department of human
31 services. The department is required to enroll a recipient
32 who chooses to participate, however, enrollment is limited to
33 one time only. The current amount of earned income
34 disregarded when considering eligibility for the ADC program
35 is thirty dollars and one third of earned income for up to

1 twelve months. The bill changes this amount to include all of
2 a recipient's earned income, subject to a reduction schedule
3 over a period of two years. A person who does not claim
4 earned income during any one of the six-month periods cannot
5 continue to participate and cannot reenroll in the
6 demonstration project.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE _____
BY (PROPOSED WELFARE
REFORM STUDY
COMMITTEE BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the purchase of child day care services by the
2 department of human services.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

1 Section 1. Section 237A.15, Code 1989, is amended by
2 adding the following new subsection:

3 NEW SUBSECTION. 4. Adopt rules relating to the purchase of
4 child day care services which authorize payment for up to four
5 days per month for days an individual child is not in
6 attendance at the child day care facility.

7 EXPLANATION

8 This bill requires the department of human services to
9 adopt rules relating to the purchase of service for child day
10 care, which will provide for payment of the costs of day care
11 for an individual child when the child is not in attendance at
12 the child day care facility, up to a maximum of four days per
13 month. Currently, administrative rules for purchase of
14 service only permit payment for actual services used.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE _____
BY (PROPOSED WELFARE REFORM
STUDY COMMITTEE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring the department of human services to submit a
2 federal waiver application relating to the statewide expansion
3 of the self-employment investment demonstration project.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1 Section 1. FEDERAL WAIVER APPLICATION REQUIRED. The
2 department of human services shall submit an application to
3 the federal government for a waiver to expand statewide the
4 self-employment investment demonstration project.

5 EXPLANATION

6 This bill requires the department of human services to
7 submit a waiver application to the federal government for the
8 statewide expansion of the self-employment investment
9 demonstration project (SEID). Currently, the SEID program
10 pilot test sites are limited to certain counties in the
11 Waterloo and Cedar Rapids districts of the department.

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35