

and some supplemental provisions in these orders.

In addition, many consumer protection federal court orders simply prohibit violations of Commission trade regulation rules (e.g., Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures, 16 CFR 436) or statutes other than the FTCA enforced by the Commission (e.g., Equal Credit Opportunity Act, 15 U.S.C. 1691). The core provisions in such orders are presumptively valid beyond twenty years in that they require adherence to regulations and statutes that are already binding on the defendants as well as their competitors. Moreover, many of these orders do not contain supplemental provisions other than those that, as a matter of Commission policy, normally terminate after up to ten years. Therefore, there is no compelling reason to sunset such orders.

Finally, most competition and some consumer protection federal court orders simply prohibit violations of Commission administrative orders. These federal court orders will cease to have any effect once the underlying administrative orders are terminated pursuant to this Policy Statement. Therefore, there is no compelling reason to sunset these federal court orders.

By direction of the Commission.

Issued: August 7, 1995

Donald S. Clark,
Secretary.

**Concurring Statement of Commissioner
Mary L. Azcuenaga Concerning Revised
Statement of Policy On Duration of
Commission Orders**

August 1995.

The Commission today has approved a revised statement issued in July, 1994, that applied only prospectively and did not apply to consumer protection orders. In 1994, when the Commission issued its statement, I wrote separately to say that the Commission should apply a sunset policy to all its administrative orders, both consumer protection and competition orders and existing and future orders. I also expressed the view that the Commission need not issue individual orders modifying or vacating existing orders but easily could accomplish the same goal through publication of an appropriate notice in the **Federal Register**. I am gratified that today's statement is fully consistent with my laws of a year ago and now. I am pleased to join the Commission in its current decision.

[FR Doc. 95-20144 Filed 8-15-95; 8:45 am]

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**DEPARTMENT OF HEALTH AND
HUMAN SERVICES**

**Administration for Children and
Families**

**Aid to Families With Dependent
Children Program: Demonstration
Projects Under Section 1115(a) of the
Social Security Act**

AGENCIES: Office of the Secretary;
Administration for Children and
Families (ACF), HHS.

ACTION: Public Notice.

SUMMARY: This public notice invites States to submit demonstration project applications under section 1115(a) of the Social Security Act to test welfare reform strategies in various areas. It further advises that the Department would commit to approving applications that comply with the demonstration components within 30 days of receipt.

FOR FURTHER INFORMATION CONTACT:
Howard Rolston, Administration for
Children and Families, Department of
Health and Human Services, 370
L'Enfant Promenade, 7th Floor, West
Wing, Washington, DC 20447, (202)
401-9220.

SUPPLEMENTARY INFORMATION:

I. General

Under Section 1115, the Department of Health and Human Services (HHS) is given latitude, subject to the requirements of the Social Security Act, to consider and approve demonstration proposals that are likely to assist in promoting the objectives of titles IV-A and B and XIX of the Act. The Department believes that State experimentation provides valuable knowledge that will help lead to improvements in achieving the purposes of the Act. Since January 1993, HHS has approved 33 welfare reform demonstration projects testing a broad range of strategies designed to promote the objectives of title IV.

The Department has reviewed the provisions of these projects, as well as those of prior projects, data from completed and continuing projects, other literature evaluating the welfare system, and the welfare reform proposals being considered by Congress. Based on this review, and our commitment to transform the Aid to Families With Dependent Children system into one that provides maximum opportunities and incentives for families to achieve financial independence, we have identified five strategies for improving the efficacy of the welfare system in helping recipients

become self-sufficient for which we believe additional experimentation would be especially useful. We have concluded that demonstrations testing these strategies are likely to provide important new information on ways to accomplish the objectives of the Social Security Act more effectively and efficiently. This information can guide the development of both national and state policy.

These strategies are: (1) Work requirements, including limited exemptions from such requirements; (2) time-limited assistance for those who can work; (3) improving payment of child support by requiring work for those owing support; (4) requirements for minor mothers to live at home and stay in school; and (5) public-private partnerships under which AFDC grants are diverted to private employers to develop jobs and training programs. These areas, and approvable demonstration project provisions, are discussed in detail in section II below.

To date, the Department has approved a number of demonstration projects including components using one or more of these strategies. We have reviewed comments submitted regarding each of these strategies. Our overall judgment is that testing additional demonstrations in each of these areas would likely promote financial security for dependent children within a stable family and, thus, further the objectives of the Social Security Act. (Specific rationales justifying demonstrations in each policy area are set out in section II.) Moreover, in view of every state's unique circumstances, the Department believes that it is critically important that each state be given the opportunity to test combination(s) of these strategies that are designed to address the needs of the recipients in that state.

Accordingly, we plan to approve within 30 days of receipt demonstration project applications that States submit which would implement, on a statewide or substate basis, any (or any combination) of the provisions discussed in section II. Further, because such projects may incorporate only the provisions already announced in this notice, which have been found by the Secretary to further the objectives of the Social Security Act, the Department will not apply its "Federal Notice" procedures generally applicable to demonstration projects. 59 Fed. Reg. 49250 (1994). Other policies and procedures stated in that notice remain applicable, including state public notice requirements, rigorous evaluation, and cost neutrality, except that the application and review process with

respect to the latter two requirements will be modified to facilitate the faster process.

II. Demonstration Project Areas and Techniques

A. Requiring People on Welfare to Work and Providing Adequate Child Care to Permit Them To Do It

Since Congress enacted the JOBS program in 1988, a central goal of the AFDC program has been to move recipients into the labor force, while ensuring that their children receive necessary child care while their parents are in activities that promote self-sufficiency. There is a mounting body of evidence that mandatory activities involving a connection with the work force can lead to substantial increases in employment and earnings among welfare recipients. Studies of various welfare-to-work approaches, conducted over the past decade in different parts of the country subject to different labor market conditions, have consistently shown significant gains in earnings. In the most recent results, from three sites in the Department's JOBS Evaluation, an approach emphasizing job search, work activity, and short-term employment-focused training yielded a 23-percent increase in overall employment and a 22-percent reduction in AFDC expenditures at the two-year point, and a 39-percent increase in employment with earnings equivalent to at least \$10,000 per year.

Although much is known in general about the effectiveness of such programs, more study is needed concerning what works and which approaches are most effective for which individuals. Therefore, we are inviting demonstrations that test the effects of requiring recipients to work in subsidized or unsubsidized jobs, to perform community service, or to engage in rigorous job search and job preparation. States can narrow the categories of recipients that are exempt from work requirements. They also can test the effects of progressively increasing the sanctions for non-compliance, so that work requirements have more teeth. To protect children, states must ensure that child care is available for those who are being required to work.

B. Setting Time Limits for Welfare Receipt, to be Followed by Work

Most of the people who enter the welfare system do not stay on AFDC for many consecutive years. Two out of three persons who enter the welfare system leave within two years and fewer than one in ten spends five consecutive

years on AFDC. Most recipients use the AFDC program not as a permanent alternative to work, but as temporary assistance during times of economic difficulty.

While persons who remain on AFDC for long periods represent only a modest percentage of all people who ever enter the system, they do represent a high proportion of those on welfare at any given time. Finding ways of helping these persons become self-sufficient is extremely important in promoting their well-being and that of their children. Although many face serious barriers to employment, others are able to work but are not moving in the direction of self-sufficiency.

Many analysts believe that time-limited benefits would help to move employable welfare recipients toward work and away from reliance on welfare. There is not a large body of research in this area. Several states have begun demonstrations of various forms of time limits. More study is needed in order to know the effects of time limits.

For this reason, we are inviting demonstrations that test the effects of systems of individualized time limits, systems of time limits followed by work, preferably in the private sector, in subsidized work or community service if necessary, and systems of straight time limits, with exemptions from the time limit for those who, despite good faith efforts, are unable to work or find a job. Consistent with the objectives of the Act, demonstrations must protect families where the adult, through no fault of her or his own, is unable to find employment.

C. Requiring Fathers to Pay Child Support or go to Work to Pay Off What They Owe

There is substantial evidence that many custodial parents now receiving AFDC would not need this support if they received child support from the non-custodial parent. One of the primary reasons for non-support by some non-custodial parents, especially never-married fathers, is unemployment and underemployment. Many of these fathers need both assistance and incentives to obtain employment and pay support. Without work requirements, job readiness assistance, job training, and community service, it will be difficult for many of these fathers to contribute very much to the financial support of their children.

The available program evaluation research focusing on non-custodial parents indicates that a number of programs show promise in assisting these fathers to support their children. The Parents' Fair Share (PFS)

demonstration programs have developed effective procedures to identify eligible non-custodial parents and have established court-based processes to require fathers to participate in work-based program activities and to enforce regular participation. Preliminary data from PFS shows that the work and training requirements provide states a promising mechanism to discover previously unreported income of non-paying, non-custodial parents. Also, in the PFS sites, as well as in other non-custodial parent demonstration programs, title IV-D agencies have developed flexible and responsive child support enforcement systems to complement non-custodial parent work and training requirements.

Further testing of these requirements will assist us in determining whether this approach will result in increased child support payments and will enhance non-custodial parents' overall support of their children. To build on the knowledge base being developed through PFS and similar demonstrations, we are inviting demonstrations that require unemployed or underemployed non-custodial parents who owe child support to work or participate in work experience, community service, or job preparation activities.

D. Requiring Minor Mothers to Live at Home and Stay in School

It has become increasingly important to obtain at least a high school diploma in order to obtain employment and become self-sufficient. Moreover, a high school diploma may be essential to achieve a decent standard of living.

A study of teenage childbearing in the 1980's found that in 1986 only 56 percent of women in their twenties who had given birth at age 17 or younger had completed high school, compared with over 90 percent of those who delayed childbearing until after their teenage years. Little has changed since then. While we are beginning to obtain more knowledge of the types of programs that are successful in encouraging and helping minor mothers finish high school, we need to know considerably more about what works. Therefore, demonstrations testing ways of helping minor parents complete schooling are extremely important.

Congress already has recognized that one means of helping minor parents complete school and meet the needs of their children is to have these young parents live with their own families. States now have the option of requiring minor parents to live at home, provided that this is a safe environment for them. To facilitate these arrangements, and to

ensure that AFDC benefits are spent in a manner that achieves the goals of the Social Security Act, a number of states are experimenting with programs that direct the AFDC payment to the responsible adult, rather than to the minor mother. This strategy recognizes the importance of promoting general family responsibility.

Another strategy that has had success in Ohio and several other demonstration sites is setting up incentives and penalties for teen parents designed to have them stay in school. The recently completed study of Ohio LEAP found the program to be successful in increasing the rate at which teens who were already enrolled in school remained enrolled and in increasing the rate at which those who had already dropped out of school returned to high school or an equivalent program. Further testing of this type of strategy should enable us to determine whether these results can be replicated, and improved upon, in other settings and through variations in program design.

For these reasons, we are inviting demonstrations that require minor mothers to live with parents or relatives or in a supervised living situation, as long as the home is not dangerous to the physical or emotional health or safety of the minor; that direct the AFDC payment to the responsible adult, rather than to the minor mother; and that require minor mothers to stay in school and utilize reasonable sanctions and incentives tied to school attendance.

E. Paying the Cash Value of Welfare and Food Stamps to Private Employers as Wage Subsidies When They Hire People Who Leave Welfare and Go To Work

The effectiveness of subsidized employment in increasing employment, earnings, and self-sufficiency has been studied over the last 20 years. A number of rigorously evaluated programs have shown positive effects on increasing the earnings of welfare recipients who participated in them. This was also found to be true in the more recent national evaluation of the Job Training Partnership Act program.

By combining AFDC and Food Stamp benefits, a state could create a very substantial subsidy that encourages employers to hire AFDC recipients. This form of wage subsidy has the potential of increasing the number of recipients who are able to obtain unsubsidized employment.

Subsidized employment has generally been a very small scale activity within the JOBS program. Demonstrations using AFDC and Food Stamp benefits would provide important information on the ability of this approach, when

applied on a larger scale, to increase the employment, earnings, and self-sufficiency of AFDC recipients. They also will provide important information regarding the degree to which employers respond to wage subsidies.

Therefore, we are inviting demonstrations of systems where AFDC and Food Stamps benefits become wages, paid by employers when recipients work, as long as the jobs meet minimum standards, and families receive at least as much total income as they would have from AFDC and Food Stamps. States can choose to ask employers to pay into an account to help the recipient make the transition into unsubsidized employment.

Information on Application

The Administration for Children and Families, will be mailing state welfare departments a "Welfare Reform Demonstration: Special Application Form". This form should facilitate requests for waivers in the five specified areas. Requests for further information and/or forms should be addressed to Howard Rolston at the address listed above. Additionally, by August 21, 1995, states can obtain information on the waiver process and on electronic filing of waiver applications on the internet. On the world wide web, the URL (universal resource locator) is <http://www.acf.dhhs.gov>. Gopher users can use [gopher.acf.dhhs.gov](http://www.acf.dhhs.gov).

(Catalog of Federal Domestic Assistance Program, No. 93562; Assistance Payments—Research)

Dated: August 11, 1995.

Mary Jo Bane,

Assistant Secretary for Children and Families.

[FR Doc. 95-20294 Filed 8-15-95; 8:45 am]

BILLING CODE 4184-01-P

Pending Demonstration Project Proposal Submitted by Florida Pursuant to Section 1115(a) of the Social Security Act

AGENCY: Administration for Children and Families, HHS.

ACTION: Notice.

SUMMARY: This notice describes a new proposal for a combined welfare reform/Medicaid demonstration project submitted to the Department of Health and Human Services. Federal approval for the proposal has been requested pursuant to section 1115 of the Social Security Act.

COMMENTS: We will accept written comments on this proposal. We will, if feasible, acknowledge receipt of all comments, but we will not provide written responses to comments. We

will, neither approve nor disapprove any component of the proposal for at least 30 days following the date of receipt of the proposal to allow time to consider comments, in addition, we will neither approve or disapprove the school attendance component for at least 30 days following the date of this notice. Direct comments as indicated below.

ADDRESSES: For specific information or questions on the content of this project contact the State contact listed in II.

Comments on a proposal or requests for copies of a proposal should be addressed to: Howard Rolston, Administration for Children and Families, 370 L'Enfant Promenade, S.W., Aerospace Building, 7th Floor West, Washington DC 20447. Fax: (202) 205-3598 Phone: (202) 401-9220.

SUPPLEMENTARY INFORMATION:

I. Background

Under Section 1115 of the Social Security Act (the Act), the Secretary of Health and Human Services (HHS) may approve research and demonstration project proposals with a broad range of policy objectives.

In exercising her discretionary authority, the Secretary has developed a number of policies and procedures for reviewing proposals. On September 27, 1994, we published a notice in the **Federal Register** (59 FR 49249) that specified (1) the principles that we ordinarily will consider when approving or disapproving demonstration projects under the authority in section 1115(a) of the Act; (2) the procedures we expect States to use in involving the public in the development of proposed demonstration projects under section 1115; and (3) the procedures we ordinarily will follow in reviewing demonstration proposals. We are committed to a thorough and expeditious review of State requests to conduct such demonstrations.

II. Pending Proposal Received From Florida

Project Title: Florida—Family Transition Program (Amendments).

Description: Would expand the Family Transition Program demonstration, currently operating in two counties, to six additional counties. The demonstration limits, with some exceptions, AFDC benefits to 24 months in any 60-month period followed by participation in transitional employment. For families subject to the time limit, it replaces current \$90 and \$30 and one-third disregards with a single, non-time-limited disregard of \$200 plus one-half of the remainder;