

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board —in recent past or present

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- For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Full Employment Act

Summary

The Full Employment Act suspends normal benefits of the AFDC, Unemployment Insurance (UI), and Food Stamp programs, except for those Food Stamp recipients who are aged, blind, or disabled. Other persons eligible for these programs, and others in need of work, will be offered Full Employment Program jobs with public and private employers at 90 percent of the state minimum wage or, in some cases, at higher wages for more skilled work. Funds that otherwise would have been used to pay AFDC, UI and Food Stamp benefits will be used to pay the participants' wages.

Model Legislation

Section 1. It is the purpose of this Act to reduce the need for welfare and the dependence welfare induces, and to that end, there is hereby created a demonstration program to be known as the Full Employment Program, hereinafter referred to as the "Program." The Program shall be a three-year test in [insert number of counties] counties of the effects of replacing certain welfare and unemployment insurance benefits with guaranteed paid employment. During the test, normal Aid to Families with Dependent Children (AFDC), unemployment compensation, and Food Stamp benefits shall be suspended in [insert name of counties] counties. Persons otherwise eligible for those benefits, and others in need of work, shall be eligible for the Program. The Program shall assign them to wage-paying public and private sector jobs designed to increase their self-sufficiency and improve their competitive position in the work force.

Section 2. (A) The [insert name of federally designated single state agency for AFDC and Food Stamps] shall amend the AFDC, Job Opportunities and Basic Skills (JOBS), and Food Stamp state plans to incorporate the Program as the [insert state] JOBS program for the test counties, and shall obtain federal approval of plan amendments.

(B) The [insert name of single state agency] shall obtain any exemptions and waivers from federal statutes and regulations necessary to qualify the Program as a federally approved demonstration project under Section 1115 (42 U.S.C. 1315) of the Social Security Act and Section 17 (7 U.S.C. 2026) of the Food Stamp Act, and to ensure that wages paid by the Program to its AFDC and Food Stamp-eligible participants are deemed by the federal government an acceptable alternative form of AFDC and Food Stamp benefits for purposes of the demonstration.

(C) If amendments to federal statutes are required for implementation of the Program, the [insert name of single state agency] shall seek such amendments.

(D) The purpose of this section is to facilitate implementation of the Program at the earliest possible date and with maximum federal financial participation. To that end the [insert name of single state agency] is directed to expedite plan amendment, waiver acquisition, and statute amendment activities in close and constant coordination with appropriate federal officials, and to prepare and submit completely and in a timely manner all forms and data required by those officials.

Section 3. (A) The [insert name of single state agency] shall administer the Program and shall promulgate state regulations for operation of the Program.

(B) In administering the Program, the [insert name of single state agency] shall actively encourage both public and private employers to utilize Program participants, and shall ensure that, to the extent feasible, Program job assignments match participant skills and experience with the needs of the employers.

(C) The target goals for the Program are to reduce the AFDC, Food Stamp and unemployment compensation caseloads in the pilot counties by 50 percent by the end of the third year of the pilot test, and to reduce the costs associated with these programs by 25 percent over the three-year pilot test period. To the maximum extent permitted by federal law, and not withstanding other provisions of [insert name of state] law, the [insert name of the single state agency] shall, through competitive procurement, engage the services of qualified public and private organizations to operate the Program and to provide services incident to such operation, and shall incorporate in the resultant contracts, to the extent feasible, performance-based incentive payments related to accomplishment of Program goals.

Section 4. (A) There shall be created, within 60 calendar days of enactment of this Act, a Full Employment Program Review Commission, hereinafter referred to as "Review Commission," to consist of five members: three, including the chairman, appointed by the [president of the Senate and/or speaker of the House/Assembly], and two appointed by the governor. Terms of appointment shall be three years. At least two members, one

Did you know that global corporation Kraft Foods served as corporate co-chair in 2011?

appointed by the [president of the Senate and/or speaker of the House/Assembly] and one appointed by the governor, shall be current or former recipients of AFDC, Food Stamps, or unemployment compensation.

(B) The Review Commission shall monitor Program progress, assess Program effectiveness, and both receive and develop recommendations for Program improvement. The Review Commission shall meet no less than once every three months during the period of Program operations and shall report annually its findings and recommendations to the legislature, the governor, and the [director of the single state agency].

(C) The [insert name of single state agency] shall provide administrative support to the Review Commission, and shall respond in writing to Review Commission recommendations within 30 days of receipt.

Section 5. (A) There shall be created, in each pilot county and within 60 calendar days of enactment of this Act, a Full Employment Program Local Implementation Council, hereinafter referred to as the "Local Implementation Council," to consist of seven county residents, appointed by the county commissioners. Terms of appointment shall be three years. At least two members shall be current or former recipients of AFDC, Food Stamps, or unemployment compensation.

(B) The Local Implementation Council in each test county shall establish, consistent with this Act and with regulations promulgated by the [insert name of single state agency] to carry out this Act, policies and procedures for operation of the Program within that county.

(C) The Local Implementation Council in each test county may authorize, on a case by case basis, supplemental benefits from the Program to meet hardship conditions among Program participants as defined by the Local Implementation Council. Such hardship conditions shall include, but may not be limited to, reductions in usable income to larger families as a result of Program wages being less than previously received benefits from AFDC, unemployment compensation, and Food Stamps.

(D) The Local Implementation Council in each test county shall monitor the operations of the Program for that county, and make recommendations to the Review Commission for improved Program efficiency and effectiveness.

(E) The [insert name of the single state agency] shall provide administrative support to each Local Implementation Council.

Section 6. (A) There is hereby created a Full Employment Program Special Fund, hereinafter called the "Program Special Fund." The Program Special Fund shall be administered by the [insert single state agency] and shall be used exclusively to meet the necessary expenditures of the Program.

(B) All funds appropriated for expenditure by or apportioned to [insert state] for operation of the AFDC, JOBS, and Food Stamp programs in the pilot counties shall accrue to the Program Special Fund.

(C) The [insert state agency levying unemployment insurance taxes] shall levy a Full Employment Program Tax, hereinafter called the "Program Tax," on all [insert state] employers required to pay the [insert state] unemployment insurance tax, at a rate sufficient to produce revenues in an amount equal to the unemployment insurance revenues currently collected within the pilot counties. All Program Tax revenues shall accrue to the Program Special Fund.

(D) Simultaneously with the levying of the Program Tax, the [insert state agency levying unemployment insurance taxes] shall reduce [insert state] unemployment insurance tax rates so as to reduce total unemployment insurance tax revenues by an amount equal to the amount of the revenues produced by the Program Tax.

(E) All payments by participating employers to the [insert single state agency] for specially skilled Program participants as described in Section 7(B) of this Act shall accrue to the Program Special Fund.

(F) In administering the Program Special Fund, the [insert single state agency] shall, consistent with other provisions of this Act and to the extent permitted by federal law, maximize the use of federal apportionments for the Food Stamp, AFDC, and JOBS programs.

Section 7. (A) Any resident of the pilot counties who is 18 years of age or older shall be eligible to participate in the Program. Pilot county residents between 16 and 18 years of age shall be eligible for summer work in the Program. There shall be no other eligibility requirements or limitations, and no one shall be required to participate.

(B)(1) Eligible individuals choosing to participate shall be entitled to a maximum of 40 hours per week of employment in Program jobs, as available, and shall be paid by the [insert single state agency] from the Program Special Fund at the hourly rate of 90 percent of the [insert state] minimum wage, or the federal minimum wage, whichever is higher, except that specially skilled participants may be paid a higher wage, but only if employers have need for such labor and specifically request it. For specially skilled participants, employers shall pay the [insert single state agency] an hourly rate equivalent to that received by skilled temporary employees for comparable work within the pilot county, as determined by the [insert single state agency], and the [insert single state agency] shall pay a specially skilled participant 75 percent of the rate charged the employer for the utilization of such skilled labor. For any specific skilled labor assignment, the higher rate of pay shall apply only while the participant is performing the skilled labor requested by employer and only for a period of time not to exceed 180 calendar days.

(2) Any participant may, at any time, choose to terminate participation in a Program job assignment; and any participating employer may, at any time, choose to terminate the use of a participant. The [insert single state agency] shall endeavor to keep such terminations to a minimum and, when they occur, to provide expeditiously new jobs for

the participants and new participants for the employers.

(3) All program wages shall be subject to federal and state income and social security (FICA) taxes, which the [insert single state agency] shall withhold and pay in accordance with federal and state law. Workers' compensation taxes and the employers' share of social security taxes shall be paid from the Program Special Fund.

(C) Assignment of participants to available jobs shall be made on the basis of a preference schedule developed by the [insert single state agency], with priority given to employing those receiving AFDC, Food Stamp, or unemployment compensation benefits. Those benefits shall be suspended when a Program job is offered to an unemployment compensation recipient, the custodial parent in an AFDC family, or any adult member of a Food Stamp household, and the suspension shall occur immediately whether or not the offer is accepted.

(D) Custodial teenaged parents through 19 years of age receiving AFDC, Food Stamp, or unemployment compensation benefits may choose, when offered a Program job, to substitute up to 30 hours per week attendance at an accredited secondary school, with normal Program wages to be paid for such attendance so long as the participant is making acceptable progress toward a high school diploma or GED certificate.

(E) Program participants who demonstrate substance abuse or other work-limiting problems may be assigned by the [insert single state agency] to rehabilitation facilities to receive appropriate counseling and/or training, with time spent in such activities compensated at the normal Program wage rate so long as the participant is making acceptable progress toward employability, but in no case for a period of time exceeding 90 calendar days.

(F) Food stamp recipients in the pilot counties whose Food Stamp eligibility stems from eligibility for Supplemental Security Income (SSI) benefits shall not be offered employment by the Program, and thus shall not have their Food Stamp benefits suspended. However, during the three-year Program test, such Food Stamp benefits shall be distributed in the form of cash rather than coupons.

(G) Program participants who are Medicaid-eligible at the time they enter the Program shall remain Medicaid-eligible so long as they continue to participate.

(H) Participants needing child care shall be provided child care through the Program.

Section 8. (A) Every employer subject to the [insert state] unemployment tax shall be eligible for assignment of Program participants, but no employer shall be required to utilize such participants. All employers shall pay the Program Tax, whether or not they choose to utilize Program participants.

(B) Employers shall provide on-the-job training to the degree necessary for the participants to perform their duties. Employers also shall recruit volunteer mentors from among their regular employees to assist the participants in becoming oriented to work and the workplace.

(C) Employers shall ensure that jobs made available to Program participants are in conformity with Section 3304 (a)(5) of the Federal Unemployment Tax Act, and other applicable federal employment regulations.

Section 9. (A) At least quarterly during the three-year pilot test period of the Program, the [insert name of single state agency] shall report the status and progress of the Program to the Review Commission, the legislature, and the governor.

(B) Six months prior to the end of the three-year pilot test period, the [insert name of single state agency] shall submit a written report to the Review Commission, the legislature, and the governor, containing a full and complete description and analysis of program operations and results. Such report shall include recommendations from the [insert name of single state agency] as to the potential for statewide implementation of the Program.

(C) The formal evaluation of the Program shall be conducted by an independent evaluator reporting to the Review Commission. The evaluation may be based on group comparison, survey, and individualized event and attitude recording techniques. Performance in attaining Program goals in each pilot county may be matched against performance using the traditional welfare and employment counseling practices in a comparison county of similar size and with similar welfare and employment characteristics. In addition, the composite performance of the pilot counties may be compared to the remainder of the state. In no case shall experimental design (random assignment of individual potential or actual participants to "treatment" and "control" groups) be used for evaluation of the Program.

Section 10. {Severability clause.}

Section 11. {Repealer clause.}

Section 12. {Effective date.}

Were your laws repealed?

1995 Sourcebook of American State Legislation

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECExposed.org. For more information contact: editor@prwatch.org or 608-260-9713.

Center for Media and
Democracy's quick summary

This is a particularly harsh version of welfare reform that would suspend all anti-poverty social programs and require former beneficiaries to go to work for pay below the minimum wage. Put forward by ALEC in 1995, it is of limited relevance in the post-welfare reform environment.