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Week 19

Welfare Reform, Work Incentives, Prison Workforce Training, and Broadband Access

"Work is always better than not working. A skill is always better than a cell."

1. The Problem

The welfare system penalizes work by eliminating benefits faster than income rises. The prison system releases 600,000 people per year with \$25 in gate money, no skills, and no housing — and 43% are re-arrested within a year. Child poverty spiked 41% in 2022 when the expanded Child Tax Credit expired — from 12.1% to 17% in a single year — the largest single-year increase in child poverty in American history. All three failures share the same root cause: the government invests in dependency and incarceration instead of in people who need a path to self-sufficiency. Source: Columbia Center on Poverty and Social Policy.

2. The Governing Principle

Work is always better than not working. A skill is always better than a cell. No federal benefit program ever phases out faster than income increases. Working always produces a net positive outcome without exception. Raising children is work. The Child Tax Credit is the working family's recognition that the tax code should support the people doing the most important work in America.

3. The Specific Policy

Part I — The Child Tax Credit Restored and Made Permanent

The expanded CTC was in effect for one year — 2021 — under the American Rescue Plan. In that year child poverty fell from 15% to 12.1%, the lowest rate in American history. When it expired in 2022 child poverty jumped back to 17% in a single year. The most effective anti-poverty program in a generation was allowed to expire because it was not made permanent. The platform makes it permanent.

- **\$3,600 per child under age 6:** fully refundable — families with no tax liability receive the full credit. Monthly advance payments available — \$300 per month per child under 6 rather than a lump sum at tax time. Families living paycheck to paycheck cannot wait until April.
- **\$3,000 per child ages 6-17:** fully refundable — same advance payment option. \$250 per month per child ages 6-17.
- **No work requirement for the CTC:** the CTC is a recognition that raising children has economic value. A parent who stays home to care for a child with a disability, a single parent between jobs, a

family in a rural area without available work — all receive the full credit. The work requirement debate belongs in other parts of the welfare system. The CTC is not the place for it.

- **Phase-out:** begins at \$150,000 for married filing jointly, \$112,500 for heads of household, \$75,000 for single filers — same thresholds as the 2021 expansion. Phases out at 5 cents per dollar above those thresholds. The credit reaches zero at approximately \$440,000 for joint filers. Working and middle-class families receive the full credit. High-income families do not.
- **Funded through Version A:** the expanded CTC costs approximately \$120-130 billion per year. Version A generates an estimated \$1.9-2.1 trillion per year in additional revenue. The CTC is one of the first programs funded from Version A collections — consistent with the platform's standard that new spending activates as collections are verified.
- **Columbia Center on Poverty and Social Policy confirmed:** the 2021 expansion kept approximately 3.7 million children out of poverty at its peak. Expiration put 3.7 million children back into poverty within a year. The CBO estimated the expansion cost approximately \$120 billion annually. The platform treats that \$120 billion as the highest-return investment in the platform — \$32,000 per child lifted out of poverty per year is dramatically cheaper than the lifetime cost of poverty.

Part II — Welfare Reform and Work Incentives

- **Benefits cliff eliminated — unified sliding scale:** benefits phase out gradually on a unified sliding scale as income rises — never faster than the income increase that triggered the reduction. Earning more always produces a net positive outcome. The scale phases out completely at 200% of the federal poverty level — roughly \$58,000 for a family of four in 2026. This is the single most important welfare reform — everything else is secondary.
- **Work requirements — structured, supported, and sensible:** able-bodied adults without dependents receiving means-tested benefits engage in work, job training, education, or community service. No work requirement takes effect without these prerequisites verified as available: transportation assistance, childcare access (Week 16 Federal Childcare Centers), broadband access (ACP voucher restored below), and job training access. A work requirement without these supports is a punishment. With them it is a genuine path to independence.
- **47 job training programs consolidated to 10 unified delivery systems:** consolidate overlapping federal job training programs into unified delivery systems at the state level with federal performance standards. Measure outcomes: employment rates, wage growth, benefit independence. Consolidation target: from 47 overlapping programs to no more than 10 unified delivery systems by end of Year 2.
- **Affordable Connectivity Program restored — broadband as a work prerequisite:** \$30-75 per month means-tested broadband voucher for households at or below 200% FPL. 23 million households lost broadband access when Congress let the ACP expire in April 2024. Restored in Year 1.
- **Veterans explicitly exempt from work requirements during transition:** veterans in the Week 28 transition assistance program are explicitly exempt during their 90-day transition period.
- **Fraud and eligibility verification — automated real-time:** standardized real-time eligibility verification for all major federal benefit programs using IRS income data, SSA records, and state wage data.

Part III — Federal Prison Workforce Training Program

2 million Americans are incarcerated. 600,000 are released every year with \$25 in gate money, no job, no housing, no ID, and no skills. 43% are re-arrested within a year. 67% within 3 years. 76% within 5 years. RAND Corporation research shows correctional education reduces reincarceration by 43% and costs \$5,000 per participant to deliver.

- **UNICOR reformed — \$8-10 per hour, 50/50 release account split:** pay rate rises from \$0.23-1.15 per hour to \$8-10 per hour. 50% available immediately; 50% deposited into a mandatory release account. A person working 40 hours per week at \$9 per hour for 2 years accumulates approximately \$18,700 in their release account.
- **Seven qualifying industry tiers with nationally recognized credentials:** textiles, furniture and woodworking, food production and culinary, construction trades, electronics assembly, data entry, and agriculture — all with nationally recognized certifications and direct connections to platform infrastructure projects.
- **Pell Grant fully restored for incarcerated people:** GED, high school equivalency, associate degree, and vocational certificate programs at every federal facility through accredited community college partnerships.
- **90-day reentry program — before and after release:** job placement, all government-issued ID secured, housing identified, benefits enrollment completed before release. 90-day check-in with a federal reentry coordinator after release.
- **Veterans in prison receive priority mental health and reentry services:** coordinates with Week 28 Veterans Gold Standard.

4. Estimated Cost

Child Tax Credit restoration: approximately \$120-130 billion per year — funded through verified Version A collections. ACP restoration: approximately \$6 billion per year. Prison workforce training program: approximately \$2-3 billion per year. Job training consolidation: net savings of \$3-5 billion per year. Benefits cliff sliding scale: \$500 million per year. Net savings from reduced reincarceration: estimated \$8-15 billion per year at full implementation.

5. Year 1 Implementation and Measurable Result

Year 1 measurable result: expanded Child Tax Credit legislation introduced within 30 days; advance monthly CTC payments operational within 180 days; ACP broadband voucher restored within 60 days; benefits cliff sliding scale regulation published within 90 days; UNICOR pay increase implemented within 180 days; Pell Grant restoration for incarcerated people in effect within 180 days. CTC baseline: child poverty rate 17% in 2022 after expansion expired per Columbia Center on Poverty and Social Policy.