

NLWJC - Kagan

Counsel - Box 035 - Folder 018

Labor Concerns

TO: Bruce Reed
Jeremy Ben-Ami
Ken Apfel
Emily Bromberg

FROM: Diana Fortuna 

DATE: December 4, 1996

Accordingly to Jen O'Connor, there is a meeting with the union leaders and Leon tomorrow at 1, with a premeeting at 12:45. You should all be getting a call about it. Here is the agenda that the unions had proposed for this meeting a month ago, although it seems doubtful that the meeting will deal with such specifics. Jen is checking to see if this is still their agenda.

We should all look at this quickly to figure out where, if anywhere, we are on these items.

cc: Elena Kagan

THE WHITE HOUSE
WASHINGTON

October 21, 1996

MEMORANDUM FOR JOHN ANGELL
BRUCE REED
JEREMY BENAMI
DIANA FORTUNA
KEN APFEL

FROM: HAROLD ICKES
JENNIFER O'CONNOR

RE: Labor Request for a Meeting with Leon Panetta
on Welfare Reform

AFL-CIO President John Sweeney has requested a meeting with Leon to discuss welfare reform. He would bring Gerry McEntee, President of AFSCME, and Andy Stern, President of SEIU. They have been particularly concerned with the approval of plans, the application of the 45 day waiting period, the Texas ~~waiver~~, and the need, as they see it, to do something to address privatization.

They faxed over the attached as a proposed agenda for the proposed meeting.

We would appreciate your views on whether such a meeting would be productive at this time, who should host and attend the meeting, and whether the attached agenda is appropriate. Please get back to Jennifer, as Harold is travelling.

They have indicated there is urgency to their request and they would like to do the meeting as soon as possible. Please respond as soon as you can.

*prioritize - nada on cards
auth'd in regis
+ can do it in NA*

**Welfare Reform
White House Meeting Agenda**

Immediate Administrative Advocacy

1. **No Privatization of Administrative Functions**
HCFA and USDA should reject state requests to waive existing merit system standards and privatize food stamps and Medicaid. The most immediate threat is privatization efforts in Texas where Lockheed is poised to administer all welfare programs, setting a terrible precedent. Texas is expected to submit their proposal by the end of November. We also have information that HHS has been consulting with them to do this. Just say no!
2. **45 Day Comment and Consultation Period**
This must be honored, especially the consultation on the development of the plan section in the law. HHS is approving plans without this.
3. **Continued Medicaid Funding for Immigrants**
HHS should rule that those immigrants cut off from SSI will continue to have continued Medicaid coverage. Most of the clients that our Homecare workers serve are on SSI Medicaid.
4. **Employment Rights for Welfare Recipients**
The Administration (DOL) should rule that welfare- to- work participants are employees under various Federal labor laws, the most important of which is the Fair Labor Standards Act.

Help with Fair Work Campaign

We want the Administration to work directly with us on our campaign to recruit employers to sign onto the voluntary principles of decent treatment of welfare participants.

Help with Future Welfare/Job Legislation

"Fix-it" legislation

- *Strengthen employment rights for welfare participants
- *Provisions to discourage privatization
- *Bring back immigrant rights to SSI, and other benefits
- *Strong anti-displacement protection and a strong grievance procedure
- *Encourage "new" job creation
- *Union comment or concurrence on work assignments (Clinton '94 plan)
- *Prohibit the use of welfare recipients as strike breakers
- *Insure that disabled children needing home care services are not cut off SSI
- *Roll back all food stamps cuts, especially limiting food stamps for childless adults to only 3 months out of any three years. This provision is especially cruel to workers on lay-off.

Job Creation Legislation

We have reached agreement with the Administration regarding:

- *coverage for those hired under labor laws
- *targeting the most difficult to place
- *scaled back tax credits for business
- *money will flow directly to the Mayors

We are still discussing anti-displacement protection and grievance procedure.

We now want the Administration

- *Target money for job creation, instead of job referral: discourage use of Manpower/America Works etc, instead use state employment services and welfare job placement workers.
- *Ensure that jobs are "new work" and are targeted to high demand occupations, thus lessening displacement pressures.
- *Ensure that workers in these jobs should be treated under the same terms and conditions as other employees of the employer.
- *Mandate union consultation and concurrence eg. Clinton '94 plan.
- *Add a lot more money to make this useful. \$3 billion over six years is only \$10 million a year per state. This is a start, not a solution.
- *Ensure that DOL administers the new program.

BRIEFING ON LABOR'S WELFARE REFORM CONCERNS

The following briefly summarizes the key issues related to welfare reform that organized labor has raised to us previously, their status, and our suggested response.

1. Privatization of Administrative Functions

Concern Allowing states to contract out the administration of Food Stamps, Medicaid, or welfare.

Problem The states have the legal authority to contract out administration of the welfare block grant. They need a waiver to do this for Food Stamps and approval for Medicaid. Both Texas and Wisconsin are well down the road in developing their plans to contract out.] ?

Response Since (a) we do not have a definite position yet on this issue and (b) we don't have a legal basis to turn the states down, we should probably just listen.] ?

2. Public Comment Period on State Welfare Plans

Concern Ensuring that HHS requires a 45 day public comment period before state welfare plans are certified as complete.

Response HHS will require comment periods, but they can take place after the plan is submitted to the federal government. Plans will be certified as completely ~~only~~ after the comment period has ended. Funding will be retroactive to plan submission.

3. Continued Medicaid Funding for Immigrants

Concern Ensuring that all immigrants will continue to get Medicaid even after losing their SSI.

Problem This is a budget issue. It may be possible to let states do this administratively, but the cost could be over \$1 billion over six years.

Response We share this concern. Need to look at it in the context of the budget.

Also - legal concern.

4. Employment Rights for Welfare Recipients

Concern Providing greater labor protections for those in "workfare" programs -- working for their welfare.

Response We have pressed for greater protections in the past. We will work with them

on this in the new Congress.

5. "Fix" Legislation

Concern They have a list of issues they would like a "fix" bill to address.

Status While we know we will be submitting a budget which would restore some of the cuts, we are not sure what we will do in terms of legislation on some of the other policy issues: labor protections, privatization, etc.

Response We should indicate openness to hearing their concerns, and express that we are still developing both our substantive ideas and our strategy.

6. Job Creation Legislation

Concern They have a series of concerns -- wanting more money (\$10 billion, not \$3 billion), preferring job creation to job referral, DOL administration, etc.

Status The details of the proposal are still being developed, but the broad outlines remain what they were in August. Development will continue into January.

Response We will continue to work closely with them on the development of this initiative and will try to incorporate some of their concerns.