

NLWJC - Kagan

DPC - Box 061 - Folder-014

Welfare - Generally

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Clinton-Gore Accomplishments Reforming Welfare

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** Last year the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed medical coverage. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility and Work Opportunity Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** From January 1993 to June 1997, the number of people receiving welfare benefits fell by 26 percent, or 3.6 million recipients -- the largest decline in the welfare rolls in history and the lowest percentage of the population on welfare since 1970. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.
- **Mobilizing the Business Community:** To make welfare reform a success and help move a million people from welfare into the workforce by the year

2000, President Clinton has enlisted the business community's leadership. At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 100 participating businesses, the Partnership pledged to reach 1,000 business within six months. In August 1997, in St. Louis, Missouri, the Partnership launched a city by city effort to work with employers, service providers and state and local governments to expand welfare to work opportunities. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number (1-888-USAJOB1), the Partnership's Web site (www.welfaretowork.org) and a "Blueprint for Business" manual that contains information on finding, recruiting, training, hiring, and retaining former welfare recipients.

... and **Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition will focus on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and fourteen other civic groups.

- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce has been reduced by more than 300,000 positions, the smallest the Federal government has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, the federal government has hired nearly 2,000 welfare recipients, achieving in six months nearly 20 percent of the President's goal. As a part of this effort, the White House pledged, and has already hired, six welfare recipients.
- **Enforcing Child Support -- 50% Increase in Collections:** The Clinton Administration collected a record \$12 billion in child support in 1996 through tougher enforcement, an increase of \$4 billion, or nearly 50 percent, since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1996, the number of child support cases with collections rose to 4 million, an increase of 43 percent, from 2.8 million in 1992. And paternity establishment, often the first crucial step in child support cases, has dramatically increased. In 1996, the number of paternities established rose to nearly 1 million, almost double, from 516,000 in 1992.

Making Deadbeat Parents Pay: The President's unprecedented and sustained campaign to make deadbeat parents pay is working. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries; taking steps to Federal deny loans to any delinquent parents; issuing an executive order making the Federal government a model employer in the area of child support enforcement. The President also directed the Attorney General to submit legislation that strengthens the Child Support Recovery Act by prosecuting more parents who take egregious actions to avoid paying child support. And most significantly, the welfare reform law contains tough child support measures that President Clinton has long supported including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years, but first, all states must enact the state laws to implement these tough new rules.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies; HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen four years in a row, by 8 percent from 1991 to 1995.

BALANCED BUDGET HELPS MOVE PEOPLE FROM WELFARE TO WORK

- **\$3 Billion to Help Move 1 Million People from Welfare to Work:** Because of the President's leadership, the balanced budget includes the total funding requested by the President for the creation of his \$3 billion Welfare to Work Jobs Challenge fund. This program will help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs. These

funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor will provide oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects.

- **A Welfare-to-Work Tax Credit for Employers:** This tax credit will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring, but also retention.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment last year to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. After months of continuous refusals by the Congressional leadership to consider these changes, the President fought for and ultimately was successful in ensuring that the balanced budget protects the most vulnerable.

- **Protects Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The balanced budget restores \$11.5 billion in SSI and Medicaid benefits for legal immigrants. The new law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the balanced budget does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **Helps People Who Want to Work but Can't Find a Job:** The balanced restores \$1.5 billion in food stamp cuts. Last year's welfare reform bill restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The budget bill provides funds for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment. The balanced budget allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would otherwise be denied benefits as a result of the "3 in 36" limit.
- **Protects Children by Keeping the Medicaid Guarantee:** The balanced budget preserves the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.

10/23/97

States Are Succeeding in Reforming Welfare

Many states have accepted the significant responsibilities in the welfare reform law and are using the greater flexibility to reform welfare. State strategies are making a real difference in the success of welfare reform, specifically in moving recipients from welfare to work, child care and transportation. Here are a few examples:

WELFARE TO WORK

- **Massachusetts and Pennsylvania Have Welfare-to-Work Tax Credits for Employers:** According to a report from the National Governors' Association, Pennsylvania rewards employers for participating in their Employment Incentive Program (EIP) by providing up to \$5,100 in state tax credits for each welfare recipient an employer hires. The employer can earn \$1,500 of the possible tax credit by paying for or providing child care to the welfare recipients hired. The welfare recipient must be employed for at least one year for the employer to receive the financial incentives. Under Massachusetts' Full Employment Program, employers are entitled to an excise tax credit of \$100 per month for each FEP employee hired; they can also receive wage subsidies of \$2.50 per hour for up to nine months.
- **Thirty-six States Are Using Welfare Checks to Subsidize Paychecks:** 36 of the 50 states are using welfare checks to subsidize private employment. All states except Alabama, Connecticut, Idaho, Illinois, Iowa, Kansas, Louisiana, Maryland, Minnesota, Nebraska, Nevada, New Mexico, Tennessee, and Utah subsidize employment.

CHILD CARE

- **24 States Are Increasing Their Spending Beyond What Is Needed to Match New Federal Child Care Funds:** According to a survey by the American Public Welfare Association (the state welfare directors), 24 states plan to spend more of their own dollars than they need to in order to match the new federal child care funds. These 24 states are: Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Jersey, North Carolina, Ohio, Oregon, Tennessee, Vermont, Washington State and Wyoming.
- **Several States Have Seamless Child Care Systems:** Illinois, Michigan, and Washington are examples of states that provide child care subsidies based on income, not whether a parent used to be on welfare or not.

TRANSPORTATION

- **Michigan, Kentucky and Wisconsin Are Addressing the Transportation Challenges of Welfare Reform:** Michigan and Wisconsin are tackling the transportation barriers many welfare recipients face. Because few families receiving public assistance own automobiles, it is often challenging getting workers to jobs in the outlying suburban areas. Michigan's Suburban Mobility Authority for Regional Transportation provides bus patrons with a ride from their stop to their work site. Wisconsin developed "Job Ride" in 1989 creating an innovative van pool system. Kentucky's "Empower Kentucky" initiative is integrating the transportation programs of four cabinet departments to improve transportation for underserved areas of the state.
- **Connecticut is Using Welfare Block Grant Dollars to Fund Transportation:** In Connecticut, the Governor has committed to using \$2.2 million of the state's Temporary Assistance for Needy Families (TANF) dollars for transportation services for public transit operators across the state to provide new transportation services to move welfare recipients to work.

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August 22, 1997

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**CLINTON ADMINISTRATION MOVING FORWARD ON
THE PROMISE OF WELFARE REFORM**

On August 22, 1996, President Clinton signed into law "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," a comprehensive bipartisan welfare reform plan that has dramatically changed the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, a performance bonus to reward states for welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work - including increased funding for child care and guaranteed medical coverage.

X The Clinton Administration has taken ^{numerous} ~~several~~ steps to ensure the success of the law. In the past year, the Clinton Administration has: provided assistance to states and communities in implementing the law; created partnerships with the business, religious and non-profit communities to hire and train welfare recipients; and delivered on the President's pledge to invest in moving people from welfare to work and fix provisions in the law that had nothing to do with welfare reform. As a result of the Clinton Administration's focused efforts this year -- and throughout the last four years -- the welfare caseload fell by 3.4 million recipients from 14.1 million recipients in January 1993 to 10.7 million in May 1997, the largest welfare caseload decline in history.

TRANSFORMING THE BROKEN WELFARE SYSTEM:

Overhauling the Welfare System Nationwide: On July 1 the historic welfare law that the President signed last August went in to effect in every state, making work and responsibility the law of the land. The Department of Health and Human Services has certified welfare plans for each state. In accordance with the welfare law, all plans require and reward work, impose time limits, and demand personal responsibility.

their **Building on the Administration's Welfare Reform Strategy:** Even before welfare reform many states were well on ~~there~~ way to changing their welfare programs to jobs programs. By waiving certain provisions in federal statutes, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, ~~the~~ improve child support enforcement, and encourage parental responsibility. ~~Nearly 90 percent~~ of states ^{vast} have chosen to continue or build on their welfare demonstration project approved by the Clinton ^{majority} Administration.

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Largest Caseload Decline in History: The welfare caseload fell by ^{10.7} 3.1 million recipients from 14.1 million recipients in January 1993 to just below 11 million in ^{May} April 1997, a drop of ³⁻⁴ 22% since President Clinton took office. Forty-eight out of fifty states have seen their caseloads decline, with ten states reducing their rolls by 40% or more in the last four years. This is the largest welfare caseload decline in history and the lowest percentage of the population on welfare since 1970. According to the Council of Economic Advisors (CEA) analysis, the reduction in the welfare rolls can be attributed to the strong economic growth during the Clinton Administration, the waivers granted to states to test innovative strategies to move people from welfare to work, and other factors, which may include the Administration's expansion of the Earned Income Tax Credit, strengthened child support enforcement, and increased funding for child care. ^{2470 updates}

Mobilizing the Business Community: To make welfare reform a success and help move a million people from welfare into the workforce by the year 2000, President Clinton has enlisted the business community's leadership. At the President's urging, the Welfare to Work Partnership, chaired by United Airlines CEO Gerald Greenwald, was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. So far 800 companies, large and small, have accepted the President's challenge to forge a national effort to help move those on public assistance into jobs in the private sector. In August 1997, the Welfare to Work Partnership launched: a toll-free hotline (1-888-USAJOB1), web page(www.welfaretowork.org), and a "Blueprint for Business" manual to help companies across the nation hire people off welfare; and a city to city challenge to help promote innovative and effective welfare to work initiatives in 12 high poverty cities during the next year.

Helping Welfare Recipients Get Off and Stay Off Welfare: The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition will focus on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and fourteen other civic groups.

Federal Government's Hiring Initiative: As the nation's largest employer, the federal government is also doing its fair share to hire people from the welfare rolls. In ^{March} April 1997, the President directed each head of a Federal agency or department to develop a plan to hire and retain welfare recipients in jobs in the government. The President asked the Vice President to oversee this initiative in which the federal agencies have agreed to directly hire at least 10,000 welfare recipients in the next four years without replacing anybody.

ADDRESSING BARRIERS TO MOVING FROM WELFARE TO SELF-SUFFICIENCY

Increasing Funding for and Improving Quality of Child Care: The welfare law increased child care funding by nearly \$4 billion over 6 years, providing child care assistance to low-income working families and parents moving from welfare for work. In October 1996, HHS released the child care block grant funds for FY 1997 providing up to \$1.92 billion to states, a significant increase over the estimated FY 1996 level of \$1.35 billion. The Clinton Administration has also taken steps to ensure the health and safety of child care. In July 1997, President Clinton proposed new child care regulations, which include a new approach to help more children in child care receive the immunizations they need on time.

Developing Strategies to Address Transportation Issues: In May 1997, President Clinton announced grants to 24 states to develop welfare to work transportation strategies. The President also urged Congress to adopt a six-year, \$600 million grant program in his NEXTEA transportation bill that would support flexible, innovative transportation systems in rural, and suburban area to get people to jobs. *urban*

Continuing to Strengthen Child Support Enforcement: Due to the President's unprecedented and sustained campaign to make deadbeat parents pay the child support they owe, the Clinton Administration collected a record \$12 billion in child support in 1996, an increase of 50% since 1992. Paternity establishment rose to nearly 1 million in FY 1996, almost double, from 516,000 in 1992. And the number of families actually receiving child support rose to 4 million cases with collections, an increase of 43 percent, over 2.8 million in 1992.

- **Implementing the Provisions in the Welfare Law:** The welfare law included tough child support measures long-supported by the President, including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. So far over half the states have enacted these provisions. The President has urged all states to put these enforcement tools in place to ensure that children and families get the support they need. These measures are projected to increase child support collections by an additional \$24 billion over the next ten years.
- **Executive Actions:** While working toward comprehensive improvement of child support enforcement, President Clinton used his executive authority to increase child support collections. Since taking office, President Clinton has directed the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries; taking steps to deny Federal loans to any delinquent parents; making the Federal government a model employer in the area of child support enforcement. The President also directed the Attorney General to submit legislation that strengthens the Child Support Recovery Act by prosecuting more parents who take egregious actions to avoid paying child support.

Preventing Teen Pregnancy: As a result of the Administration's focused effort since President Clinton took office, the national birth rate for teens aged 15-19 declined four straight years in row, decreasing by eight percent between 1991 and 1995. Significant components of the President's comprehensive effort to reduce teen pregnancy were included in the welfare law. The welfare law requires unmarried minor parents to stay in school and live at home, or in an adult-supervised setting; supports the creation of Second Chance Homes, which will provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities, beginning in FY 1998.

- **Launching a National Strategy:** In January 1997, the Clinton Administration launched a new comprehensive effort to prevent teen pregnancy and encourage adolescents to remain abstinent. The initiative, led by the Department of Health and Human Services, responded to a call from the President and Congress for a national strategy to prevent out-of-wedlock teen pregnancies and to a directive, under the new welfare law, to assure that at least 25 percent of communities in this country have teen pregnancy prevention programs in place. The strategy sends the strongest possible message to all teens that postponing sexual activity, staying in school, and preparing to

work are the right things to do. It strengthens ongoing efforts across the nation by increasing opportunities through welfare reform; supporting promising approaches; building partnerships; improving data collection, research, and evaluation; and disseminating information on innovative and effective practices. The national strategy places a special emphasis on encouraging abstinence, especially among 9- to 14-year-old girls, through HHS' new Girl Power! campaign, which was launched in November 1996.

- Providing Resources to Promote Abstinence: The welfare law included \$50 million a year in new funding for state abstinence education activities. In July, 1997 every state applied for this money to build on their state efforts to prevent teen pregnancy.

BALANCED BUDGET HELPS MOVE MORE PEOPLE FROM WELFARE TO WORK

The balanced budget that the President signed on August 5, 1997 delivered on the President's pledge to fulfill the promise of welfare reform by investing in moving people from welfare to work and fixing the provisions in the law that had nothing to do with welfare reform. Specifically:

\$3 Billion to Help Move 1 Million People from Welfare to Work. As a result of the President's leadership, the balanced budget includes the total funding he requested to create \$3 billion Welfare to Work Jobs Challenge fund. This program will help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.

A Welfare to Work Tax Credit. This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in the second year, paid to new hires for who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring but retention.

Fixing Provisions in the Welfare Law. The budget includes \$12 billion to restore both disability and health benefits to legal immigrants and disabled who are currently receiving benefits or become disabled in the future, ensuring that they will not be turned out of their homes or otherwise left to an uncertain fate. The budget bill will help 350,000 legal immigrants (in FY 2002) who would otherwise have been denied assistance. It also extended the SSI and Medicaid eligibility period for refugees and asylees from 5 years after entry to 7 years to give these residents more time to naturalize. In addition, the budget bill ~~fixes~~ the food stamp provisions in the welfare law by creating work slots and preserving food stamp benefits for those who are willing to work, but through no fault of their own, have not found employment.

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CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** Last year the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed medical coverage. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care, transportation, and child support (*see attached for state examples*). [Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193, signed 8/22/96]
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility and Work Opportunity Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. Nearly 90 percent of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration. [HHS Fact Sheet, 7/3/97]
- **Largest Decline in the Welfare Rolls in History:** From January 1993 to May 1997, the number of people receiving welfare benefits fell by 24 percent, or 3.4 million recipients - the largest decline in the welfare rolls in history and the lowest percentage of the population on welfare since 1970. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the welfare reform law taking effect, and the strong economy. [HHS, 4/97]
- **Mobilizing the Business Community:** To make welfare reform a success and help move a million people from welfare into the workforce by the year 2000, President Clinton has enlisted the business community's leadership. At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire

people from the welfare rolls. Founded with 100 participating businesses, the Partnership pledged to reach 1000 business within six months. This is a city by city effort working with both small and large businesses. To help companies hire welfare recipients, the Welfare to Work Partnership networks businesses with other employers who have experience in hiring welfare recipients. In addition, it provides technical assistance and support, such as: a 1-800 number, the Partnership's Web site (www.welfaretowork.org) and a "Blueprint for Business" manual that contains information on finding, recruiting, training, hiring, and retaining former welfare recipients.

... and Civic, Religious and Non-profit Groups: The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition will focus on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and fourteen other civic groups. [DPC Fact paper]

- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce has been reduced by more than 300,000 positions, the smallest the Federal government has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative, in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. As a part of this effort, the White House pledged, and has already met this pledge, to hire six welfare recipients by 2000.
- **Enforcing Child Support -- 50% Increase in Collections:** The Clinton Administration collected a record \$12 billion in child support in 1996 through tougher enforcement, an increase of \$4 billion, or nearly 50 percent, since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1996, the number of child support cases with collections rose to 4 million, an increase of 43 percent, from 2.8 million in 1992. And paternity establishment, often the first crucial step in child support cases, has dramatically increased. In 1996, the number of paternities established rose to nearly 1 million, almost double, from 516,000 in 1992.

Making Deadbeat Parents Pay: The President's unprecedented and sustained campaign to make deadbeat parents pay is working. In addition to tougher enforcement including a strong partnership with states, President Clinton's strategy has included: an Executive Order to help track down Federal workers who fail to pay child support and collection of Federal income tax refunds from delinquent parents. And most significantly, the welfare reform law includes tough child support measures that President Clinton has long supported; including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties; these five measures are projected to increase child support

collections by an additional \$24 billion over the next ten years. But the job is not finished, there are still states that have not implemented the tough, state-wide child support collection mechanisms required by law; measures that will significantly reduce many parents' dependency on welfare. [Source: HHS Press release, 4/14/96; Executive Order 12953, 2/27/95 ; HHS press release, 10/23/96; Child Support Collection Fact Sheet, 6/97]

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies; HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union challenge to prevent teen pregnancy. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen four years in a row, by 8 percent from 1991 to 1995.

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PROTECTING THE MOST VULNERABLE AND RESTORING FAIRNESS

The President made a commitment last year to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. As he said, "I am determined to work with the Congress in a bipartisan effort to correct the provisions of this legislation that

go too far and have nothing to do with welfare reform.” After months when the Congressional leadership refused to consider these changes, the President fought for and ultimately was successful in ensuring that the balanced budget protect the most vulnerable.

- **Protects Children by Keeping the Medicaid Guarantee:** The balanced budget preserves the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. Also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.
- **Protects Immigrants Currently Receiving Benefits:** Restores both SSI and Medicaid benefits for immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the balanced budget does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
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CLINTON-GORE ACCOMPLISHMENTS REFORMING WELFARE

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TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** Last year the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed medical coverage. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation (*see attached for state examples*).
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility and Work Opportunity Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** From January 1993 to May 1997, the number of people receiving welfare benefits fell by 24 percent, or 3.4 million recipients -- the largest decline in the welfare rolls in history and the lowest percentage of the population on welfare since 1970. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.
- **Mobilizing the Business Community:** To make welfare reform a success and help move a million people from welfare into the workforce by the year 2000, President Clinton has enlisted the business community's leadership. At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 100 participating businesses, the Partnership pledged to reach 1000 business within six months. In August 1997, in St. Louis, Missouri, the Partnership launched a city by city effort to work with employers, service providers and state and local governments to expand welfare to work opportunities. The Partnership provides technical assistance and support to businesses around the country,

including: a toll-free number (1-888-USAJOB1), the Partnership's Web site (www.welfaretowork.org) and a "Blueprint for Business" manual that contains information on finding, recruiting, training, hiring, and retaining former welfare recipients.

... and **Civic, Religious and Non-profit Groups**: The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition will focus on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and fourteen other civic groups.

- **Doing Our Fair Share with the Federal Government's Hiring Initiative**: Under the Clinton Administration, the Federal workforce has been reduced by more than 300,000 positions, the smallest the Federal government has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. As a part of this effort, the White House pledged, and has already hired, six welfare recipients.
- **Enforcing Child Support -- 50% Increase in Collections**: The Clinton Administration collected a record \$12 billion in child support in 1996 through tougher enforcement, an increase of \$4 billion, or nearly 50 percent, since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1996, the number of child support cases with collections rose to 4 million, an increase of 43 percent, from 2.8 million in 1992. And paternity establishment, often the first crucial step in child support cases, has dramatically increased. In 1996, the number of paternities established rose to nearly 1 million, almost double, from 516,000 in 1992.

Making Deadbeat Parents Pay: The President's unprecedented and sustained campaign to make deadbeat parents pay is working. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries; taking steps to Federal deny loans to any delinquent parents; issuing an executive order making the Federal government a model employer in the area of child support enforcement. The President also directed the Attorney General to submit legislation that strengthens the Child Support Recovery Act by prosecuting more parents who take egregious actions to avoid paying child support. And most significantly, the welfare reform law contains tough child support measures that President Clinton has long supported including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years, but first, all states must enact the state laws to implement these tough new rules.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies; HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen four years in a row, by 8 percent from 1991 to 1995.

BALANCED BUDGET HELPS MOVE PEOPLE FROM WELFARE TO WORK

- **\$3 Billion to Help Move 1 Million People from Welfare to Work:** Because of the President's leadership, the balanced budget includes the total funding requested by the President for the creation of his \$3 billion Welfare to Work Jobs Challenge fund. This program will help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor will provide oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects.
- **A Welfare-to-Work Tax Credit for Employers:** This tax credit will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring, but also retention.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment last year to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. After months of continuous refusals by the Congressional leadership to consider these changes, the President fought for and ultimately was successful in ensuring that the balanced budget protects the most vulnerable.

- **Protects Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The balanced budget restores \$1.5 billion in SSI and Medicaid benefits for legal immigrants. The new law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the balanced budget does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **Helps People Who Want to Work but Can't Find a Job:** The balanced budget restores \$1.5 billion in food stamp cuts. Last year's welfare reform bill restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The budget bill provides funds for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment. The balanced budget allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would otherwise be denied benefits as a result of the "3 in 36" limit.
- **Protects Children by Keeping the Medicaid Guarantee:** The balanced budget preserves the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.

STATES ARE SUCCEEDING IN REFORMING WELFARE

Many states have accepted the significant responsibilities in the welfare reform law and are using the greater flexibility to reform welfare. State strategies are making a real difference in the success of welfare reform, specifically in moving recipients from welfare to work, child care and transportation. Here are a few examples:

WELFARE TO WORK

- **Massachusetts and Pennsylvania Have Welfare-to-Work Tax Credits for Employers:** According to a report from the National Governors' Association, Pennsylvania rewards employers for participating in their Employment Incentive Program (EIP) by providing up to \$5,100 in state tax credits for each welfare recipient an employer hires. The employer can earn \$1,500 of the possible tax credit by paying for or providing child care to the welfare recipients hired. The welfare recipient must be employed for at least one year for the employer to receive the financial incentives. Under Massachusetts' Full Employment Program, employers are entitled to an excise tax credit of \$100 per month for each FEP employee hired; they can also receive wage subsidies of \$2.50 per hour for up to nine months.
- **Thirty-six States Are Using Welfare Checks to Subsidize Paychecks:** 36 of the 50 states are using welfare checks to subsidize private employment. All states except Alabama, Connecticut, Idaho, Illinois, Iowa, Kansas, Louisiana, Maryland, Minnesota, Nebraska, Nevada, New Mexico, Tennessee, and Utah subsidize employment.

CHILD CARE

- **24 States Are Increasing Their Spending Beyond What Is Needed to Match New Federal Child Care Funds:** According to a survey by the American Public Welfare Association (the state welfare directors), 24 states plan to spend more of their own dollars than they need to in order to match the new federal child care funds. These 24 states are: Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Jersey, North Carolina, Ohio, Oregon, Tennessee, Vermont, Washington State and Wyoming.
- **Several States Have Seamless Child Care Systems:** Illinois, Michigan, and Washington are examples of states that provide child care subsidies based on income, not whether a parent used to be on welfare or not.

TRANSPORTATION

- **Michigan, Kentucky and Wisconsin Are Addressing the Transportation Challenges of Welfare Reform:** Michigan and Wisconsin are tackling the transportation barriers many welfare recipients face. Because few families receiving public assistance own automobiles, it is often challenging getting workers to jobs in the outlying suburban areas. Michigan's Suburban Mobility Authority for Regional Transportation provides bus patrons with a ride from their stop to their work site. Wisconsin developed "Job Ride" in 1989 creating an innovative van pool system. Kentucky's "Empower Kentucky" initiative is integrating the transportation programs of four cabinet departments to improve transportation for underserved areas of the state.
- **Connecticut is Using Welfare Block Grant Dollars to Fund Transportation:** In Connecticut, the Governor has committed to using \$2.2 million of the state's Temporary Assistance for Needy Families (TANF) dollars for transportation services for public transit operators across the state to provide new transportation services to move welfare recipients to work.