

NLWJC - Kagan

DPC - Box 067 - Folder-009

**Welfare-Welfare to Work
Partnership Event 5/19/97**

THE WHITE HOUSE
WASHINGTON

May 19, 1997

WELFARE TO WORK PARTNERSHIP EVENT

DATE: May 20, 1997
LOCATION: The East Room
BRIEFING TIME: 1:05 pm - 1:35 pm
MEET AND GREET: 1:35 pm - 1:45 pm
EVENT TIME: 2:00 pm - 3:00 pm
FROM: Bruce Reed

I. PURPOSE

To announce that more than 100 companies have accepted your welfare to work challenge and to promote your \$600 million welfare to work transportation proposal.

II. BACKGROUND

You will be addressing CEOs and senior executives from over 100 companies that have joined the Welfare to Work Partnership. The Welfare to Work Partnership is an independent, nonpartisan, national effort which has pledged to enlist 1,000 companies within the next six months to help move those on public assistance into jobs in the private sector. The Partnership was formed in response to your challenge in the State of the Union, and the CEOs from the companies you noted in that speech -- Sprint, Monsanto, UPS, Burger King, and United Airlines -- form the Partnership's Board of Directors. At this event, United Airlines Corporation CEO Gerald Greenwald will be named the Chairman of the Board.

Citing transportation as one of the biggest barriers in moving from welfare to work, you will announce that the Department of Transportation is awarding grants to 24 states to develop strategies to solve this problem. In addition, you will urge Congress to enact your \$600 million welfare to work transportation initiative, which is part of the Administration's NEXTEA transportation proposal.

This is also an opportunity to praise two of your key welfare to work initiatives included in the budget agreement: 1) the \$3 billion Welfare to Work fund for cities and states to create job opportunities for welfare recipients; and 2) the enhanced tax credit which would give companies that hire long-term welfare recipients a 50% tax credit on the first \$10,000 of wages paid over two years.

You will also be joined by the Vice President, who will announce a new campaign -- beginning with a conference on May 29th -- to help those who leave welfare retain jobs.

III. PARTICIPANTS

Briefing Participants:

Erskine Bowles
Secretary Slater
Eli Segal
Bruce Reed
Maria Echaveste
Cynthia Rice
Cheri Carter

Participants in Speaking Program:

The Vice President
Eli Segal, President and CEO, Welfare to Work Partnership
Gerald Greenwald, Chairman, Welfare to Work Partnership, and CEO of United Airlines.
Governor Tommy Thompson, Wisconsin
Governor Tom Carper, Delaware
George Stinson, Wisconsin small business owner, whose company workforce is more than half former welfare recipients.

Participants in Meet and Greet in Roosevelt Room prior to event:

(See attached list.)

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- You will be announced onto the stage accompanied by the Vice President.
- The Vice President will make brief remarks and introduce Gerald Greenwald.
- Gerald Greenwald makes remarks and introduces Governor Carper.
- Governor Carper makes remarks and introduces Governor Thompson.
- Governor Thompson makes remarks and introduces George Stinson.
- George Stinson makes remarks and introduces you.
- You will make remarks and then depart.

VI. REMARKS

Remarks provided by speech writing.

WELFARE TO WORK MEET AND GREET

Roosevelt Room - May 20, 1997

Secretary Rodney Slater
Secretary Alexis Herman
Secretary Andrew Cuomo
SBA Administrator Ada Alvarez
Deputy Secretary Kevin Thurm
Dennis Malamatinas, CEO, Burger King
Robert Shapiro, CEO, Monsanto
Gerald Greenwald, CEO, United Airlines
Lea Soupata, Senior Vice President, UPS
Ronald Compton, Chairman and CEO, Aetna
Duncan Pollack, Chairman and CEO, Ammirati Puris Lintas
Barbara Turner, President, Boscart
Carolyn Stradley, President and Owner, C&S Paving
Russell Meyer, President and CEO, Cessna Corporation
Lawrence Stupski, Vice Chairman, Charles Schwab
Thomas Brosig, President, Grand Casinos
George Stinson, Chairman and President
Philip G. Satre, President and CEO, Harrah's Casinos
Edward Kuntz, Living Centers of America
Jonathon Tisch, President and CEO Loew's Hotels
Mitchell Fromstein President and CEO, Manpower
Rachel Hubka, President and Owner, Rachel's Bus Company
Albert Hoser, President and CEO, Siemens
William Esrey, Chairman and CEO, Sprint
Gerald Levin, Chairman and CEO Time Warner
Sanford Weill, Chairman, The Travelers Group

Eli Segal, Welfare to Work Partnership
Kate Carr, Welfare to Work Partnership
Lyn Hogan, Welfare to Work Partnership

Welfare to Work
May 20, 1997 -- 5/19/97 7:30 PM DRAFT

Today President Clinton announced that over 100 companies have accepted his State of the Union challenge to forge "a new national effort to marshal America's businesses, large and small, to create jobs so that people can move from welfare to work."

- CEOs and senior executives from over 100 companies joined the President to launch the Welfare to Work Partnership, a private, non-profit organization which will lead the national business effort to hire people from the welfare rolls. The Partnership pledged to enlist 1,000 companies within the next six months and named United Airlines Corporation CEO Gerald Greenwald its Chairman of the Board.
- Citing transportation as one of the biggest barriers in moving from welfare to work, President Clinton today announced grants to 24 states to develop strategies to solve this problem. The President urged Congress to enact his \$600 million welfare to work transportation initiative, part of his NEXTEA transportation proposal, and he praised a similar bipartisan bill introduced yesterday by Senators Arlen Specter (R-PA) and Frank R. Lautenberg (D-NJ).
- The President praised the new budget agreement which includes two critical welfare to work initiatives. The first is a \$3 billion Welfare to Work fund for cities and states to create job opportunities for welfare recipients. This proposal, a centerpiece of the President's second-term agenda, will help move one million adults from welfare to work. The budget agreement also includes the President's proposed enhanced tax credit which would give companies that hire long-term welfare recipients a 50% tax credit on the first \$10,000 of wages paid over two years.
- To ensure that former welfare recipients succeed in the workplace, Vice President Gore announced a new campaign, beginning with a conference on May 29th, to help those who leave welfare retain jobs.

The President was joined today by the Vice President, Mr. Greenwald, Partnership President Eli J. Segal, Delaware Governor Tom Carper, Wisconsin Governor Tommy Thompson, and small business owner George R. Stinson of Racine, Wisconsin, whose company workforce is more than half former welfare recipients.

The Welfare to Work Partnership

The Welfare to Work Partnership is an independent, nonpartisan, national effort of the American business community to help move those on public assistance into jobs in the private sector. The Partnership will provide information, technical assistance, and support for all interested companies. The Partnership was formed in response to the President's challenge in his 1997 State of the Union speech, and the CEOs from the five companies the President noted in that speech -- Sprint, Monsanto, UPS, Burger King, and United Airlines -- form the Partnership's Board of Directors. Since signing the welfare law last August, the President has launched an aggressive campaign to challenge both the public and private sector to help welfare reform succeed. The President signaled his commitment to work with the corporate community by holding a White House meeting with 14 company CEOs in January 1997. After that meeting five companies made a commitment to lead a national welfare to work effort.

The President's Welfare to Work Transportation Initiative

One of the biggest barriers faced by people moving from welfare to work is finding transportation. Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities. Only six percent of welfare recipients own cars, and public transit often provides inadequate connections to job and training centers.

To combat this problem, the President today urged Congress to adopt the six-year, \$600 million grant program in his NEXTEA transportation bill that would support flexible, innovative transportation systems in rural, urban, and suburban areas to get people where the jobs are. A similar proposal was introduced yesterday by Senators Arlen Specter (R-Pa) and Frank R. Lautenberg (D-NJ). Today, the President also announced grants to 24 states and the Virgin Islands to develop welfare to work transportation plans. The grants are being awarded by the Department of Transportation's Federal Transit Administration and the Federal Highway Administration in cooperation with the National Governors' Association.

The Federal Government Leading the Way

The President has committed the federal government, the nation's largest employer, to do its part to hire people from the welfare rolls and appointed Vice President Gore to head up the effort. On April 10th the President held the first full Cabinet meeting of his second term in which federal agencies pledged to directly hire at least 10,000 welfare recipients over the next four years.

Welfare Caseloads

Even before signing historic welfare reform legislation last August, President Clinton had taken action to promote welfare reform. During his first three and a half years in office, President Clinton approved 80 welfare reform waivers in 43 states -- more than all previous Administrations combined. These waivers allowed states to require work, time limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. By the time the President signed the welfare bill, these welfare demonstrations covered more than 10 million people, approximately 75 percent of all welfare recipients. As a result of the President's aggressive welfare reform efforts:

- Welfare caseloads have declined by 20 percent or nearly 2.8 million since President Clinton took office -- the largest decline in 50 years.
- Not only have welfare caseloads gone down, but child support collections have gone up. During the last four years, the President's child support enforcement crackdown helped increase collections by 50%, from \$8 billion in 1992 to a record \$12 billion in 1996.
- A Council of Economic Advisers analysis released earlier this month showed the President's policies played a major role in reducing welfare caseloads. The study found that 31 percent of the caseload decline can be attributed to welfare waiver policies and 44 percent to economic growth and the remainder may be due to other policies not measured in the statistical model, such as Earned Income Tax Credit expansions, additional child care spending, and increased child support enforcement efforts.

THE WELFARE TO WORK PARTNERSHIP

Eli J. Segal
President and CEO

Eli J. Segal served as Assistant to the President of the United States from January 1993 - February 1996. In this capacity, he was responsible for the design and enactment of the legislation which created AmeriCorps, President Clinton's national service initiative. In October 1993, Mr. Segal was confirmed by the United States Senate to the additional position as the first Chief Executive Officer of the Corporation for National Service. Mr. Segal resigned as Chief Executive Officer in October, 1995.

In 1992, Mr. Segal was the Chief of Staff of the Clinton-Gore campaign and the Chief Financial Officer during the Presidential transition period. In 1996, he served as Chairman of Business Leaders for Clinton-Gore.

Prior to the 1992 campaign, Mr. Segal served as President of several consumer product companies, including American Publishing Corporation, Vogart Crafts Corporation and Bits & Pieces, Inc. Most recently, he was the publisher of GAMES Magazine.

GENERAL CONVERTERS AND ASSEMBLERS, INC.

General Converters and Assemblers, Inc. (GCA), is a minority owned and operated manufacturing company of approximately 211 employees located in the inner city of Racine, Wisconsin. With more than one-half of its workforce formerly on public assistance, GCA truly has empowered its community. GCA provides specialized training to its workers, enabling them to gain the experience and skills to move to higher paying jobs. By expanding its facility by almost 200,000 square feet, GCA plans to increase its workforce by 33 percent to more than 300 positions, anticipating that many of the 100 new employees will come from the welfare rolls.

George Stinson
Chairman and President

George Stinson has been chairman and president of General Contractors for the past 24 years. His first involvement in community service came when he was working for Johnson's Wax in Racine, Wisconsin. Johnson's Wax loaned out Mr. Stinson to the community for two years to help develop minority business.

BURGER KING CORPORATION

Burger King Corporation (BKC) is a leader in today's fast-food industry, with locations in all 50 states and 56 countries and territories around the world. BKC and its franchisees have a solid track record of responsible corporate citizenship. For almost ten years, Burger King has been helping at-risk youth stay in school, an important step in helping them break the cycle of welfare dependency. Through its Burger King Academy dropout prevention programs, Burger King has given these students a second chance to be successful in school.

Now Burger King is taking on the challenges of making welfare reform a success. Burger King anticipates creating between 10,000 to 20,000 jobs annually for public assistance recipients. While the initial challenge is to successfully transition people on public assistance into the workplace, Burger King recognizes the capacity of these workers to move up the career ladder within the Burger King system. BKC and its franchisees are proud of our many restaurant managers who have literally worked their way up from crew level positions to management. For example, Don Bausch, the manager of a Burger King restaurant in Eureka, California, was receiving public assistance when he started working in an entry-level position in 1993. Now, he proudly manages that restaurant. Burger King hopes to replicate Don's success story throughout the nation as it continues to work in partnership with the public and private sectors.

Dennis Malamatinas Chief Executive Officer

Dennis Malamatinas is the newly-appointed Chief Executive Officer of the Burger King Corporation. He has worked for International Distillers and Vintners (IDV) -- the world's largest wines and spirits company by volume, and Grand Metropolitan's drinks business -- since 1989.

In June 1995, he became Executive Director and President of IDV Asia Pacific, which manages the marketing, selling, distribution, and production of IDV brands in India, China, Japan, the Far East, Australia, New Zealand and the Middle East. He was also named a member of the IDV Board. Under his leadership, IDV Asia Pacific made significant progress in India, Thailand and The Philippines. He also established a joint venture to produce and distribute premium spirits brands in China and restructured to invest new resources behind IDV's brands.

From 1991 to 1995, Malamatinas served as President and Chief Executive Officer of the Pierre Smirnoff Company, the world's largest vodka brand. He joined IDV in 1989 as Managing Director of Metaxa, based in Athens, Greece, where he was responsible for Metaxa business worldwide. From 1986 to 1989, he worked with Pepsico, initially as Operations Trainer for the Middle East Region and later as President and Chief Executive Officer of Pepsico Italy.

UNITED PARCEL SERVICE OF AMERICA

UPS has actively participated in a variety of programs to help prepare adults and young people enter the workforce and retain jobs for more than 25 years. Since 1996, UPS has hired more than 1,000 people from public assistance nationwide. Generally, UPS offers opportunities for individuals to move into part-time package handling jobs, starting at \$8 to \$9 per hour with full medical benefits. As part of its welfare-to-work efforts, UPS identifies candidates and provides employment and training in cooperation with local organizations. To help ensure that each person's transition to the workforce is positive, UPS commits a full-time manager to guide the program and provides each new employee a mentor. Since October 1996, UPS has placed more than 700 people who have received public assistance in jobs throughout the Philadelphia area. UPS's commitment to its new employees is demonstrated by the bus system it implemented to address transportation needs in the Philadelphia area.

James P. Kelly **Chairman and Chief Executive Officer**

Jim Kelly is chairman and chief executive officer for United Parcel Service. He served as vice chairman and chief operating officer prior to assuming his current position on January 1, 1997.

Following service in the U.S. Navy, his career with UPS began in 1964 as a package delivery driver in his home state. He earned rapid promotion into management as package distribution center manager in 1965. His advancement continued in various staff and operations positions of increasing responsibility. In 1988, Kelly was elected senior vice president and appointed the company's Labor Relations manager. Since 1991 he has served on the UPS Board of Directors. In 1992, he became chief operating officer and two years later executive vice president.

Lea Soupata **Senior Vice President**

Lea Soupata is the Senior Vice President, Human Resources for United Parcel Service (UPS). She is responsible for all domestic and international Human Resources matters affecting the 5th largest employer in the U.S. Ms. Soupata is on the Management Committee of 12 top senior executives responsible for the cross functional management of UPS. She is also a Chairperson of the UPS Foundation. Prior to her position as Senior Vice President, Ms. Soupata was Vice President Human Resources, where she was responsible for half of the UPS domestic employment training, promotion and workforce planning, and organizing activities.

Employee Profile **Pamela Brown**

Pamela Brown, a 24-year-old single mother, is currently a package handler in charge of scanning time-sensitive air packages in New York City. Ms. Brown spent two years on and off public assistance before becoming employed at UPS. Since joining UPS in August 1995, Ms. Brown has held several positions, including loading, unloading, and sorting packages. "Now that I am working at UPS," said Ms. Brown, "my self-confidence and self-esteem are taller than the Empire State Building. Going from Medicaid to full benefits and from \$98.50 every two weeks to \$150 a week is like climbing a mountain with your head held high."

SPRINT CORPORATION

As one of five companies recognized by President Clinton as being a catalyst in the welfare-to-work effort, Sprint is serving as a business and community leader to help transition individuals from public assistance through hiring programs, community involvement, and business involvement.

Sprint built and operates the United States' only nationwide all digital, fiber-optic network and is the leader in advanced data communications.

One of several Sprint welfare-to-work initiatives is a pilot training program with the Metropolitan Community Colleges in Kansas City. The six-week program helps individuals develop basic customer service and clerical skills and trains them on call center management systems and telephone etiquette. Sprint is partnering with other companies on this project who have pledged to hire graduates. Of the initial 18 graduates, 14 now hold full-time jobs, including two hired at Sprint.

In other areas of the country, Sprint has established an apprentice program where employed individuals learn telephone installation and pole climbing. The company also sends its job posting to job service agencies and public assistance organizations. Employees serve as employment advisors to low-income and underemployed individuals and work with area agencies to develop training programs and internships to individuals on public assistance who seek to sharpen their job-readiness skills.

William T. Esrey Chairman and Chief Executive Officer

William T. Esrey is chairman and chief executive officer for the Sprint Corporation. Esrey started at United Telecommunications, Inc. (renamed Sprint in 1992) in 1980 as executive Vice President-Corporate Planning. In 1981, Mr. Esrey was named Executive Vice President, Chief Financial Officer and a year later became President of United Telecom Communications, Inc. (renamed US Telecom in 1985).

In 1984, Mr. Esrey assumed additional responsibilities as the Chief Financial Officer before being named President and Chief Executive Officer in 1985 and assuming additional responsibilities as Chairman in 1990.

MONSANTO COMPANY

While Monsanto Company is in the process of splitting into two different companies, a life science enterprise and a chemical business, Monsanto remains committed to strengthening the communities in which it operates by hiring and training people on public assistance.

Monsanto has engaged in a four-city pilot program in St. Louis; Chicago; Greenwood, South Carolina; and Pensacola, Florida. The programs help people on public assistance in several ways from identifying candidates for positions in administrative support and transportation in Chicago to recruiting qualified clerical workers in St. Louis.

Monsanto's commitment to the welfare-to-work initiative goes beyond its own company. Monsanto has encouraged its vendors and contractors to recruit those on public assistance. Monsanto has played a leadership role in the St. Louis Regional Jobs Initiative. Through this effort, the business, social service and government sectors are developing a coordinated and sustainable training model that connects the regional labor market with job seekers living in the region's urban core.

Robert B. Shapiro
Chairman, President and Chief Executive Officer

Robert Shapiro is Chairman, President and Chief Executive Officer of Monsanto Company.

Shapiro joined Searle, now a unit of Monsanto, in 1979 as Vice President and General Counsel. In 1982, he was named President of the newly formed NutraSweet Group of Searle. When Searle was acquired by Monsanto in 1985, he was appointed Chairman and Chief Executive Officer of The NutraSweet Company, a subsidiary of Monsanto. In 1990, he was named Executive Vice President, Monsanto Company, and President, The Agricultural Group, an operating unit of Monsanto. He became Monsanto's President and Chief Operating Officer in 1993 and was appointed to his present position in April 1995.

Before joining Searle, Mr. Shapiro was Vice President and General Counsel for General Instrument Corporation. Previously, he served as an attorney with the New York law firm of Poletti, Freidin, Prashker, Feldman and Gartner, and a professor of law at Northeastern University in Boston and the University of Wisconsin in Madison. Mr. Shapiro served in government as Special Assistant to the General Counsel and later to the Undersecretary of the U.S. Department of Transportation.

UNITED AIRLINES CORPORATION

As the largest employee-owned corporation in the world, with more than 86,000 employees around the globe working to serve customers on more than 2,200 daily flights, United Airlines has a variety of positions that are suitable for individuals who are returning to work or new to the workforce. United's employment recruiters work closely with social service and other nonprofit agencies in Chicago, Denver, Los Angeles, Miami, New York, San Francisco, Washington, DC, and other communities to identify and recruit job recipients as potential job applicants. Many of the community-based agencies working with United have customized their employment-training programs to facilitate a better fit with the types of positions available at United, which include everything from reservations agents to administrative-support positions. United provides new employees with on-the-job and/or off-site training, mentoring programs, solid benefits, and opportunities for career advancement. United's aim is to help individuals shift successfully from public assistance to the workforce. Its goal is to hire 2,000 people who are currently on welfare by the end of the year 2000.

Gerald Greenwald Chairman and Chief Executive Officer

Gerald Greenwald is chairman and chief executive officer of UAL Corporation and United Airlines, its principal subsidiary company. He is based at the company's world headquarters in suburban Chicago.

In 1991, Mr. Greenwald served as managing director of Dillon Read & Co., Inc., an investment banking company. From April 1992 until March 1993, he served as president of Olympia & York Developments Ltd., a real estate development company. From March 1993 until September 1994, he served as chairman of Tatra, a Czech Republic truck manufacturer.

Mr. Greenwald's career started in the automobile industry. From 1957 to 1979, he was employed by the Ford Motor Company, where he worked in several positions, including controller, director of Ford's operations in Europe and finally, as president of Ford of Venezuela.

From 1979 to 1990, Mr. Greenwald was employed by the Chrysler Corporation, where he worked in various positions, including corporate controller and chief financial officer before being promoted to vice chairman, a position in which he shared full responsibility with the CEO for the operations of the company.

Employee Profile Jalani Wilson

Jalani Wilson, currently a personnel clerk, is a 23-year-old single mother. Since joining United Airlines in March 1997, Ms. Wilson has performed a variety of clerical activities to support personnel and employment functions and offices, including inputting and retrieving data from computers and assisting in tasks related to employment applications. "Through Employee and Employer Services, I was introduced to United, and since then I have had a whole world of opportunities open up for me," said Ms. Wilson. "My goal is to eventually go back to school for corporate law and expand my career with United."

REGIONAL EXAMPLES OF COMPANIES WHO HAVE WELFARE TO WORK PROGRAMS IN PROGRESS

BORG-WARNER PROTECTIVE SERVICES, Jack Donohue, 201-397-2070 Chicago, Illinois

Borg-Warner Protective Services is the largest provider of physical and electronic security services in the country. Borg-Warner hires 25% of its workforce from the welfare rolls. In less than two years, Borg-Warner has employed and trained 1006 welfare recipients in partnerships with community-based agencies across the country. In addition this company has made a commitment to hire welfare recipients to staff a large client base in New York, Pennsylvania, Rhode Island and Massachusetts. In 1993, in collaboration with the New York City Department of Homeless Services, Borg-Warner developed and operated the Greenpoint Security Training Academy. This 90-day training program was designed to meet the needs of the homeless population while maintaining a high quality work standard. On May 19, 1997, Borg-Warner was asked to conduct a workshop at New York Governor George Pataki's Economic Summit for Women '97. Materials from this summit will be included in the New York State's "Goals 2002 Program" brochure to encourage businesses to participate in New York's Welfare to Work Initiative.

INDEx, INC. AND JOMOCA PRODUCTS, Wayne Rowley, 918-568-0241 Tulsa, Oklahoma

This Partnership between Industrial Exchange, Inc., (InDEx) and Jomoca Products demonstrates the unique ability of a Chamber of Commerce to conduct outreach efforts to their local business community to cultivate participation in welfare-to-work programs. InDEx was created by the Tulsa Chamber of Commerce in 1992 to provide training, education and long term employment opportunities to the disadvantaged in the local community. In a contract with Oklahoma Department of Human Services, interested clients sign up to participate in the training program. This program encompasses four hours of job training and four hours of education equipped with childcare services. When Wal-Mart requested Zebco to make fishing rods in the US at affordable prices, this inquiry resulted in the first contract between Zebco and InDEx to put welfare recipients to work. Since then many other companies have signed up to be employers to those completing the InDEx program. One of those companies is Jomoco Products. Jomoco Products is a producer of chimneys caps and other metal products. This company has hired 3 welfare recipients with a commitment to hire many more. In 1994, the AFDC caseload in Tulsa county was over 8,000. Today that number has decreased to 5,300 recipients, in large part to collaboration between businesses and InDEx.

**CESSNA AIRCRAFT COMPANY, Russell M Meyer, 316-941-7820
Wichita, Kansas**

Cessna Aircraft Company believes corporate America is uniquely able to create sustainable and productive cities by providing training and employment. As a result of this belief, Cessna's sense of responsibility to the community led to the development of a comprehensive training and education center called the 21st Street Training Center. In 1990, in an effort to close the economic gap and put welfare recipients to work, Cessna renovated a 11,000 square foot facility with the use of Community Development Block Grant provided by the city of Wichita. One striking feature of this training program is that it offers participants a full salary and benefits. The program also provides mental-health counselors on-site and successful participants are guaranteed employment. Cessna notes 70% of participants become job ready, and 64% find private sector employment. This company currently employs 150 welfare recipients with plans to hire an additional 50. By October 1997, the 21st Street Training Center is expanding to include childcare and affordable housing.

**SPARTAN PREMIER STAFFING, Robert Hoover, 813-286-2860
Tampa, Florida**

Spartan Premier Staffing was established in 1986 and is now one of the largest growing temporary employment agencies for the light industrial and construction labor markets in this country. Spartan has employed 18,000 welfare recipients this year with a commitment to hire many more in the future. This company's recruitment and training efforts is best reflected in Ronny's story. Ronny, a victim of homelessness and alcoholism, was able to gain employment through the efforts of Spartan. Spartan also went beyond the call of duty by assisting Ronny in obtaining housing and seeking help for his alcoholism. Ronny went on to secure housing, stop drinking, and serve as a mentor to others at Spartan. Unfortunately, his inspiration was cut short through his untimely death due to emphysema. The heart-felt efforts of the staff at Spartan is an example of how caring can make a difference.

**XEROX CORPORATION, William McDermott, 716-231-7105
Stamford, Connecticut**

Xerox employs 46,000 people in the U.S., and Xerox Business Services (XBS) is the fastest growing division within Xerox, growing at a rate of 40% per year. XBS is currently involved in developing a pilot program set to begin in eight locations across the country starting July 1997. XBS's main goal is to establish partnerships with community-based training organizations. XBS has pledged to hire over 200 welfare recipients in the near future from the partnership organizations. Welfare recipients will work in mailrooms and with print and document production systems and receive a full benefits package. XBS has already begun to launch a welfare-to-work effort in New York City in collaboration with America Works.

**STANDARD FURNITURE, Jim Hanson, 334-937-6741
BAY MINETTE, ALABAMA**

Standard Furniture, a small family run furniture business of 727 employees in Bay Minette, Alabama, started a welfare-to-work program, long before the passage of the welfare reform bill. In March 1996, Standard Furniture entered into a partnership with the Baldwin County Economic Alliance, a coalition of the Department of Economic and Community Affairs, local businesses and social service agencies to expand their laborforce. Standard Furniture agreed to interview welfare recipients referred by the Department of Human Resources for jobs in their furniture plant. Many of the applicants had been on public assistance for more than 5 years. All were women, most of whom had young children.

Standard Furniture paid participants throughout their training session and developed a life skills training curriculum taught by instructors from Faulkner State Community Adult Education Program. Participants formed a peer mentoring group which met weekly to support their transition to the workplace. Since April 1996, two classes of welfare recipients have graduated from the program. Retention rates for welfare recipients after one year are higher than those of traditional employees. Of the twenty graduates, 10 are still with the company, and two have moved on to higher paying jobs at other companies. In the first year, 20 welfare recipients have gone through the program, and Standard plans to hire another 20 over the next year.

Jim Hanson, the director of personnel under the direction of Standard's CEO, Robert Hodgson, continues to serve as a model for Alabama businesses interested in developing welfare-to-work programs

**JOBS PARTNERSHIP OF RALEIGH, Chris Mangum, 919-783-5700
NORTH CAROLINA**

The Jobs Partnership of Raleigh is a diverse collaboration of over 53 inner-city churches and 48 businesses in the greater Raleigh area that provide job and life skills training, mentoring and job opportunities for welfare recipients entering the workforce. In November 1995, Dr. John Perkins of the Christian Community Association challenged churches in the Raleigh area to create opportunities for welfare recipients.

Rising to this challenge, Chris Mangum, President of a C.C. Mangum Contractors, Inc., one of the state's premiere asphalt and paving companies, joined with Skip Long, a business man and leader in urban ministries, to establish the Jobs Partnership of Raleigh. In less than a year and a half, the Jobs Partnership of Raleigh has graduated 62 welfare recipient, of which 58 are gainfully employed.

The Jobs Partnership of Raleigh recruits local businesses to provide employment opportunities to Raleigh's neediest citizens. Once the Jobs participant enters the program, they are assigned to a church mentor. Church mentors commit to counsel and

support welfare recipients throughout a two-year period to ensure that applicants are successful on the job and can provide for their families. Participants complete a 12 week curriculum based on Biblical work principles. This curriculum is augmented by course work on resume writing, interviewing and basic job readiness skills sponsored by Wake Technical Community College. Once a participant completes classwork, they are referred to the job clearinghouse which screens and refers applicants to participating employers.

Businesses in the Jobs Partnership provide applicants with a fair opportunity for job openings. Once an applicant is hired, employers assign a mentor to each participant so they are supported on the job by mentors and at home through their church-assigned mentor. Mentors provide assistance with child care, transportation and any other major needs. Churches have committed to do whatever is necessary to enable the participant to complete training and, be equipped to start and succeed in a new job.

The Jobs Partnership of Raleigh has been so successful that numerous Jobs Partnerships have been launched in cities across the country. Chattanooga, Tennessee has established a Jobs Partnership with a coalition of more than 150 businesses committed to transitioning welfare recipients into the workplace. Jobs Partnerships have been established in Fresno, CA, Orlando, FL, Spartansburg, SC, Baltimore, MD, Richmond, VA, and others will soon start in Boston, MA, Washington, DC, Atlanta, GA and Knoxville, TN.

Almost
Final
draft

MOVING AMERICANS FROM WELFARE TO WORK

PRESIDENT CLINTON'S PLAN TO IMPROVE ACCESS TO JOBS AND TRAINING

"Each and every one of us has to fulfill our responsibility -- indeed, our moral obligation -- to make sure that people who now must work, *can* work."

President Bill Clinton,
State of the Union Address, February 4, 1997

To support his comprehensive welfare reform initiative, President Clinton proposes to build on existing transportation programs that use innovative strategies to help people make the transition to the working world. *Transportation is the "to" in "welfare to work."*

One of the biggest barriers facing those moving from welfare rolls to payrolls is finding transportation to jobs, training, and support services such as day care. Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities. Few welfare recipients own cars, and public transit, which provides a crucial lifeline for many lower-income Americans, often provides inadequate connections to new employment opportunities in the suburbs far from where most welfare recipients live.

The President's proposal for the National Economic Crossroads Transportation Efficiency Act (NEXTEA), which would authorize federal highway and transit programs from 1998 through 2003, includes several provisions to improve welfare recipients' access to jobs and training.

■ **INVESTING \$600 MILLION TO IMPROVE ACCESS TO JOBS AND TRAINING**

NEXTEA includes a six-year, \$600 million incentive grant program to support new transportation services to get people to where the jobs are, including flexible, innovative alternatives such as vanpools. Funding also would provide access to training and to support services such as day care at transit stations.

■ **CREATING JOB-TRAINING OPPORTUNITIES IN TRANSPORTATION TECHNOLOGY AND CONSTRUCTION**

Since transportation and construction jobs are among America's best-paying, we want to open opportunities in these fields to welfare recipients and other disadvantaged people. NEXTEA would increase incentives for states and localities to provide job training in conjunction with federally-funded technology and construction projects, enable them to offer hiring preferences favoring welfare recipients and residents of Empowerment Zones and Enterprise Communities, and sustain the federal commitment to DBE programs.

Has Been Revised

MOVING AMERICANS FROM WELFARE TO WORK

NGA-FEDERAL WELFARE-TO-WORK TRANSPORTATION INITIATIVE

- One of the biggest barriers facing those making the move from welfare rolls to payrolls is access to jobs, training, and support services such as day care. Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities. Their access to these jobs is limited: few welfare recipients own cars, and public transit, which provides a crucial lifeline for many lower-income Americans, often provides inadequate connections to new employment opportunities in the suburbs far from where most welfare recipients live.
- DOT is contributing \$330,000 towards a partnership with the National Governors' Association (NGA). This will be used for grants to states to help them develop transportation strategies that support their welfare-to-work efforts. This partnership recognizes that those making the transition from welfare to work must largely depend on public transportation to reach jobs and other employment-support services, and that cooperation among federal, state, county, and local governments and the private sector is crucial.
- Participating states, led by their Governors' offices, are forming interagency task forces to coordinate transportation with welfare reform initiatives. The groups include state, county, and local human services agencies, along with local transportation providers, community human resource organizations, and private employers.
- State welfare-to-work transportation action plans will be completed during 1997. They are expected to emphasize coordinating existing public transportation, human services, and private programs that enable welfare recipients to get to where the jobs are.
- 24 states and one territory are participating: Alaska, Arkansas, Connecticut, Delaware, Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey, North Carolina, Ohio, South Carolina, Tennessee, Texas, the Virgin Islands, Virginia, Washington, Wisconsin, and Wyoming.

**Welfare to Work
May 20, 1997
Q&A – 5/19 6:30 DRAFT**

Company Hiring

Question: How many companies have committed to hire welfare recipients?

Answer: Today, over 100 companies committed to hire people from the welfare rolls -- and the Partnership's new Chairman, Gerald Greenwald today pledged to sign up 1,000 companies within six months.

Question: Will these companies displace other workers in order to hire welfare recipients?

Answer: No. An explicit part of the commitment each company has made is to hire and retain former welfare recipients without displacing other workers.

Question: Will the companies pay health benefits?

Answer: We expect companies to treat former welfare recipients like any other workers, which includes providing health benefits if they are provided to other workers.

Welfare to Work Partnership

Question: What is the Welfare to Work Partnership?

Answer: The Partnership is a national, independent, nonpartisan effort of the business community to help move people on public assistance to jobs in the private sector. The Partnership will concentrate on energizing the business community to hire and retain welfare recipients without displacement of existing workers.

The Partnership provides information, technical assistance and support for businesses of all sizes, from all industries and from all areas of the country.

Question: What are the goals of the Partnership?

Answer: In the first year, the Partnership plans to build an expanding network of companies committed to hiring and retaining persons on public assistance. In addition to mobilizing companies, the Partnership will publish and broadly disseminate a best practices manual of private sector initiatives and promising public-private alliances at the state and local levels. It expects to develop a comprehensive, customer-friendly database of organizations which provide job training and readiness, child care and related services.

Question: Who are the five founding corporations?

Answer: The founding companies of the Partnership are United Airlines, Burger King, Monsanto Company, Sprint Corporation, and United Parcel Services of America. United Airlines CEO Gerald Greenwald is the chairman of the board.

Question: Who can participate in the Partnership?

Answer: Membership is open to all businesses, large or small, who are committed to either hiring and retaining those on public assistance without displacing existing workers.

Question: Why should businesses get involved with the Partnership or any other type of welfare reform effort?

Answer: Because it makes good business sense. Today many companies find it difficult to locate entry-level workers. By actively recruiting welfare recipients, companies will greatly enlarge their pool of potential entry-level workers, a pool of workers that companies have previously not actively recruited. In addition, companies will have the knowledge that they are actively participating in their communities to strengthen families and improve children's lives.

Minimum Wage

Question: Will the Administration's announcement last week that employers must pay welfare recipients the minimum wage make it harder for companies to hire welfare recipients?

Answer: No. Private companies have always had to pay the minimum wage and follow the Fair Labor Standards Act for those workers who are "employees" instead of "trainees." The confusion lay primarily in whether the law required government-sponsored workfare -- in which welfare recipients work in public service projects in exchange for their benefits -- to pay the minimum wage. Our lawyers believe that most welfare recipients participating in the work activities such as workfare will legally count as "employees."

many, if not

Question: Won't this end welfare reform as we know it by making work more expensive for states?

Answer: Not at all. With both TANF and food stamps counting toward the minimum wage, every state except Mississippi will be able to give welfare recipients workfare slots for 20 hours a week (the welfare law's current requirement) without raising their benefit levels. And of course states should be trying to place welfare recipients in private sector jobs where the minimum wage already applies -- that's why having so many companies commit today to hiring welfare recipients is so important.

Question: Will the Administration support changes to the welfare law so workfare programs don't have to pay the minimum wage?

Answer: We would oppose legislation that flatly exempts welfare recipients from the minimum wage law. The Administration believes that people who work should be paid at least the minimum wage.

Question: Would you oppose any legislation addressing this issue?

Answer: Not necessarily, but any legislation would have to be consistent with our support for the minimum wage. In determining how the minimum wage applies to workfare, the Administration has had to address a host of technical issues that Congress did not deal with in passing the welfare law. If Congress wants to address these issues, the Administration will consider the proposals carefully. But any legislation must reflect the Administration's position that people who work should be paid at least the minimum wage.

Today's Speakers

Question: Why was Governor Thompson invited to speak?

Answer: We invited two governors to speak today -- Governor Tommy Thompson (R-Wisc.) and Governor Tom Carper (D-Del.). Both were intimately involved in developing the welfare reform proposals the President signed into law, and both have been welfare reform leaders in their own states -- so it seemed appropriate to have them here today. In addition, today the President announced transportation planning grants to 24 states, which were given in cooperation with the National Governors' Association.

Question: Tell me more about the small business owner speaking today.

Answer: George R. Stinson is the President and owner of General Converters and Assemblers, Inc. in Racine, Wisconsin. More than half his workforce is former welfare recipients. He is currently expanding his plant and plans to fill many of the 100 new positions with welfare recipients. An African American, Stinson says that one of his primary concerns as an employer is to hire and provide on-the-job training to persons without much job experience.

White House Hiring

Question: More than a month ago, the White House pledged to hire welfare recipients? Have any been hired?

Answer: Yes, one former welfare recipient has already been hired, and the departments are reviewing resumes to fill the remaining positions.

Welfare Privatization

Question: I understand Erskine Bowles and other White House officials plan to meet with members of the Texas Congressional delegation this week. Is this the beginning of a negotiation over welfare privatization?

Answer: No, we are not taking part in any negotiation. The purpose of the meetings is simply to answer any questions the Congressional delegation may have regarding the response that the Administration provided to the state of Texas last week regarding what kinds of privatization is allowed under current law.

Question: Is the Administration going to approve Wisconsin's request to privatize welfare and food stamp offices in some parts of the state?

Answer: We have not yet responded to Wisconsin's request.

Transportation Announcement

Question: Why is the President talking about new transportation funding now, after the budget has been agreed to?

Answer: With the budget agreement in place, the Congressional Committees are about to take up the ISTEA reauthorization -- so now is exactly the right time for the President to highlight the welfare to work provisions of the transportation bill he sent to the Hill earlier this spring. Also, many of the business leaders involved in the Welfare to Work Partnership have told us how important transportation will be to their ability to hire welfare recipients, so today's event seemed like a good time to discuss the President's welfare to work transportation proposal.

In general, the budget negotiations assume the reauthorization of ISTEA, although the level of transportation spending within the domestic discretionary category has been under some discussion recently. But the budget agreement certainly leaves room for the President's \$600 million welfare to work transportation proposal.

Question: What does the President's transportation proposal do?

Answer: The President's NEXTEA transportation bill:

- **Invests \$600 Million to Improve Access to Jobs and Training.** NEXTEA includes a six-year, \$600 million grant program to support innovative transportation initiatives, such as vanpools, to get people where the jobs are.
- **Increases Job Training Opportunities in Transportation Technology and Construction.** NEXTEA opens opportunities in transportation by increasing incentives for states and localities to provide job training in conjunction with federally-funding technology and construction projects and enabling them to offer hiring preferences favoring welfare recipients and residents of Empowerment Zones and Enterprise Communities.

Question: What can the \$600 million be used for?

Answer: States, local governments, and private, non-profit organizations could apply for grants to plan and implement new transportation services targeted at linking welfare recipients with jobs.

Question: Would the proposal allow welfare recipients to be hired at the expense of other workers?

Answer: No. What the President's bill does allow is what are called "local hiring preferences" allowing transportation contractors to provide a preference to equally qualified welfare recipients and residents of Enterprise Zones and Enterprise Communities who apply for construction and related jobs.

Question: The President praised a new bipartisan Congressional proposal introduced today by Senators Specter and Lautenberg. How does their proposal differ from the President's?

Answer: The Specter-Lautenberg bill would provide \$250 million per year for transportation services to link economically disadvantaged persons -- including welfare recipients and those not on public assistance -- to jobs in high-growth suburban areas. In addition, other sections of the bill propose funding levels for various ISTEA programs that are different from the President's NEXTEA proposal.

Question: Does the President endorse the entire Specter-Lautenberg transportation bill, or just the welfare to work provisions?

Answer: No. The President supports the strong pro-transit goals of the bill but some of the specifics don't jibe with the Administration's balanced budget plan -- for example, the idea of shifting the 4.3 cents of the gas tax now dedicated to deficit reduction to the highway trust fund.

Question: The grants the President announced today seem pretty small. Do you expect them to accomplish anything?

Answer: These grants, provided by the Department of Transportation in cooperation with the National Governors' Association, will enable states and communities to develop strategies that support welfare to work efforts. They will bring state and local welfare, training, and transportation authorities together to address this problem in a strategic way. But these are just seed grants for developing plans -- that's why the President has proposed a comprehensive, \$600 million fund for welfare to work transportation services.

Vice Presidential Announcement

Question: The Vice President announced he'll chair a conference on May 29th. What's the subject?

Answer: The conference will focus on job retention strategies and will include a panel of groups that have helped former welfare recipients become successful workers.

Question: What's the purpose of the conference?

Answer: The Vice President and his staff have been meeting with a wide range of civic organizations to discuss their role in welfare reform. Of course, many of these groups have been contributing to their communities for more than a century, so public service is nothing new to them.

Question: Is there any particular model the Vice President favors?

Answer: The panelists are from a variety of types of programs -- nonprofits, like the Strive program in New York which was recently featured on 60 Minutes; America Works, the successful, private sector job placement and retention company; and public sector, such as the Social Security Administration, which has a long record of successfully hiring welfare recipients. The Vice President is particularly intrigued by what State Comptroller John Sharp has done in Texas. The Texas Pathfinders project has paired welfare recipients with community mentors to help them make the transition to self-sufficiency.

WELFARE TO WORK

May 20, 1997

The Welfare to Work Partnership

Today President Clinton announced that over 100 companies have accepted his State of the Union challenge to forge "a new national effort to marshal America's businesses, large and small, to create jobs so that people can move from welfare to work." CEOs and senior executives from the companies joined the President to launch the Welfare to Work Partnership, a private, non-profit organization which will lead the national business effort to hire people from the welfare rolls. The Partnership pledged to enlist 1,000 companies within the next six months and named United Airlines Corporation CEO Gerald Greenwald its Chairman of the Board.

The Welfare to Work Partnership is an independent, nonpartisan, national effort of the American business community to help move those on public assistance into jobs in the private sector. The Partnership will provide information, technical assistance, and support for all interested companies. The Partnership was formed in response to the President's challenge in his 1997 State of the Union speech, and the CEOs from the five companies the President noted in that speech -- Sprint, Monsanto, UPS, Burger King, and United Airlines -- form the Partnership's Board of Directors. Since signing the welfare law last August, the President has launched an aggressive campaign to challenge both the public and private sector to help welfare reform succeed. The President signaled his commitment to work with the corporate community by holding a White House meeting with 14 company CEOs in January 1997. After that meeting five companies made a commitment to lead a national welfare to work effort.

The President's Welfare to Work Transportation Initiative

Citing transportation as one of the biggest barriers in moving from welfare to work, President Clinton today announced grants to 24 states to develop strategies to solve this problem. The President urged Congress to enact his \$600 million welfare to work transportation initiative, part of his NEXTEA transportation proposal.

Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities. Only six percent of welfare recipients own cars, and public transit often provides inadequate connections to job and training centers. To combat this problem, the President today urged Congress to adopt the six-year, \$600 million grant program in his NEXTEA transportation bill that would support flexible, innovative transportation systems in rural, urban, and suburban areas to get people where the jobs are. Today, the President also announced grants to 24 states and the Virgin Islands to develop welfare to work transportation plans. The grants are being awarded by the Department of Transportation's Federal Transit Administration and the Federal Highway Administration in cooperation with the National Governors' Association.

A Balanced Budget that Helps Move People from Welfare to Work

The President praised the new budget agreement which includes two critical welfare to work initiatives. The first is a \$3 billion Welfare to Work fund for cities and states to create job opportunities for welfare recipients. This proposal, a centerpiece of the President's second-term agenda, will help move one million adults from welfare to work. The budget agreement also includes the President's proposed enhanced tax credit which would give companies that hire long-term welfare recipients a 50% tax credit on the first \$10,000 of wages paid over two years.

Vice Presidential Initiatives

To ensure that former welfare recipients succeed in the workplace, Vice President Gore today announced a new campaign, beginning with a conference on May 29th, to help those leaving welfare retain jobs.

In addition to this new campaign, the Vice President is overseeing the federal government's hiring initiative. The President has committed the federal government, the nation's largest employer, to do its part to hire people from the welfare rolls. On April 10th the President held the first full Cabinet meeting of his second term in which federal agencies pledged to directly hire at least 10,000 welfare recipients over the next four years.

Today's Program

The President was joined today by the Vice President, Mr. Greenwald, Partnership President Eli J. Segal, Delaware Governor Tom Carper, Wisconsin Governor Tommy Thompson, and small business owner George R. Stinson of Racine, Wisconsin, whose company workforce is more than half former welfare recipients.

Welfare to Work
May 20, 1997
Q&A

Company Hiring

Question: How many companies have committed to hire welfare recipients?

Answer: Today, over 100 companies committed to hire people from the welfare rolls -- and the Partnership's new Chairman, Gerald Greenwald today pledged to sign up 1,000 companies within six months.

Question: How many employees have they promised to hire?

Answer: Companies weren't asked to make specific commitments, but many have anyway. For example, United Airlines has pledged to hire 2,000 people on welfare by the end of the year 2000. Cessna currently employs 150 welfare recipients and plans to hire 50 more.

Question: Will these companies displace other workers in order to hire welfare recipients?

Answer: No. An explicit part of the commitment each company has made is to hire and retain former welfare recipients without displacing other workers.

Question: Will the companies pay health benefits?

Answer: We expect companies to treat former welfare recipients like any other workers, which includes providing health benefits if they are provided to other workers.

Welfare to Work Partnership

Question: What is the Welfare to Work Partnership?

Answer: The Partnership is a national, independent, nonpartisan effort of the business community to help move people on public assistance to jobs in the private sector. The Partnership will concentrate on energizing the business community to hire and retain welfare recipients without displacement of existing workers.

The Partnership provides information, technical assistance and support for businesses of all sizes, from all industries and from all areas of the country.

Question: What are the goals of the Partnership?

Answer: In the first year, the Partnership plans to build an expanding network of companies committed to hiring and retaining persons on public assistance. In addition to mobilizing companies, the Partnership will publish and broadly disseminate a best practices manual of private sector initiatives and promising public-private alliances at the state and local levels. It expects to develop a comprehensive, customer-friendly database of organizations which provide job training and readiness, child care and related services.

Question: Who are the five founding corporations?

Answer: The founding companies of the Partnership are United Airlines, Burger King, Monsanto Company, Sprint Corporation, and United Parcel Services of America. United Airlines CEO Gerald Greenwald is the chairman of the board.

Question: Who can participate in the Partnership?

Answer: Membership is open to all businesses, large or small, who are committed to either hiring and retaining those on public assistance without displacing existing workers.

Question: Why should businesses get involved with the Partnership or any other type of welfare reform effort?

Answer: Because it makes good business sense. Today many companies find it difficult to locate entry-level workers. By actively recruiting welfare recipients, companies will greatly enlarge their pool of potential entry-level workers, a pool of workers that companies have previously not actively recruited. In addition, companies will have the knowledge that they are actively participating in their communities to strengthen families and improve children's lives.

Today's Speakers

Question: Why was Governor Thompson invited to speak?

Answer: We invited two governors to speak today -- Governor Tommy Thompson (R-Wisc.) and Governor Tom Carper (D-Del.). Both were intimately involved in developing the welfare reform proposals the President signed into law, and both have been welfare reform leaders in their own states -- so it seemed appropriate to have them here today. In addition, today the President announced transportation planning grants to 24 states, which were given in cooperation with the National Governors' Association.

Question: Tell me more about the small business owner speaking today.

Answer: George R. Stinson is the President and owner of General Converters and Assemblers, Inc. in Racine, Wisconsin. More than half his workforce is former welfare recipients. He is currently expanding his plant and plans to fill many of the 100 new positions with welfare recipients. An African American, Stinson says that one of his primary concerns as an employer is to hire and provide on-the-job training to persons without much job experience.

Transportation Announcement

Question: Why is the President talking about new transportation funding now, after the budget has been agreed to?

Answer: With the budget agreement in place, the Congressional Committees are about to take up the ISTEA reauthorization -- so now is exactly the right time for the President to highlight the welfare to work provisions of the transportation bill he sent to the Hill earlier this spring. Also, many of the business leaders involved in the Welfare to Work Partnership have told us how important transportation will be to their ability to hire welfare recipients, so today's event seemed like a good time to discuss the President's welfare to work transportation proposal.

In general, the budget negotiations assume the reauthorization of ISTEA, although the level of transportation spending within the domestic discretionary category has been under some discussion recently. But the budget agreement certainly leaves room for the President's \$600 million welfare to work transportation proposal.

Question: What does the President's transportation proposal do?

Answer: The President's NEXTEA transportation bill:

- **Invests \$600 Million to Improve Access to Jobs and Training.** NEXTEA includes a six-year, \$600 million grant program to support innovative transportation initiatives, such as vanpools, to get people where the jobs are.
- **Increases Job Training Opportunities in Transportation Technology and Construction.** NEXTEA opens opportunities in transportation by increasing incentives for states and localities to provide job training in conjunction with federally-funding technology and construction projects and enabling them to offer hiring preferences favoring welfare recipients and residents of Empowerment Zones and Enterprise Communities.

Question: What can the \$600 million be used for?

Answer: States, local governments, and private, non-profit organizations could apply for grants to plan and implement new transportation services targeted at linking welfare recipients with jobs.

Question: Would the proposal allow welfare recipients to be hired at the expense of other workers?

Answer: No. What the President's bill does allow is what are called "local hiring preferences" allowing transportation contractors to provide a preference to equally qualified welfare recipients and residents of Enterprise Zones and Enterprise Communities who apply for construction and related jobs.

Question: The grants the President announced today seem pretty small. Do you expect them to accomplish anything?

Answer: These grants, provided by the Department of Transportation in cooperation with the National Governors' Association, will enable states and communities to develop strategies that support welfare to work efforts. They will bring state and local welfare, training, and transportation authorities together to address this problem in a strategic way. But these are just seed grants for developing plans -- that's why the President has proposed a comprehensive, \$600 million fund for welfare to work transportation services.

White House Hiring

Question: More than a month ago, the White House pledged to hire welfare recipients? Have any been hired?

Answer: Yes, one former welfare recipient has already been hired, and the departments are reviewing resumes to fill the remaining positions.

Minimum Wage

Question: Will the Administration's announcement last week that employers must pay welfare recipients the minimum wage make it harder for companies to hire welfare recipients?

Answer: No. Private companies have always had to pay the minimum wage and follow the Fair Labor Standards Act for those workers who are "employees" instead of "trainees." The confusion lay primarily in whether the law required government-sponsored workfare to pay the minimum wage. Our lawyers believe that most welfare recipients participating in the work activities such as workfare will legally count as "employees."

Question: Won't this end welfare reform as we know it by making work more expensive for states?

Answer: Not at all. With both TANF and food stamps counting toward the minimum wage, every state except Mississippi will be able to give welfare recipients workfare slots for 20 hours a week (the welfare law's current requirement) without raising their benefit levels. And of course states should be trying to place welfare recipients in private sector jobs where the minimum wage already applies -- that's why having so many companies commit today to hiring welfare recipients is so important.

Question: Will the Administration support changes to the welfare law so workfare programs don't have to pay the minimum wage?

Answer: We would oppose legislation that flatly exempts welfare recipients from the minimum wage law. The Administration believes that people who work should be paid at least the minimum wage.

Question: Would you oppose any legislation addressing this issue?

Answer: Not necessarily, but any legislation would have to be consistent with our support for the minimum wage. In determining how the minimum wage applies to workfare, the Administration has had to address a host of technical issues that Congress did not deal with in passing the welfare law. If Congress wants to address these issues, the Administration will consider the proposals carefully. But any legislation must reflect the Administration's position that people who work should be paid at least the minimum wage.

Welfare Privatization

Question: I understand Erskine Bowles and other White House officials plan to meet with members of the Texas Congressional delegation this week. Is this the beginning of a negotiation over welfare privatization?

Answer: No, we are not taking part in any negotiation. The purpose of the meetings is simply to answer any questions the Congressional delegation may have regarding the response that the Administration provided to the state of Texas last week regarding what kinds of privatization is allowed under current law.

Question: Is the Administration going to approve Wisconsin's request to privatize welfare and food stamp offices in some parts of the state?

Answer: We have not yet responded to Wisconsin's request.

Vice Presidential Announcement

Question: The Vice President announced he'll chair a conference on May 29th.
What's the subject?

Answer: The conference will focus on job retention strategies and will include a panel of groups that have helped former welfare recipients become successful workers.

Question: What's the purpose of the conference?

Answer: The Vice President and his staff have been meeting with a wide range of civic organizations to discuss their role in welfare reform. Of course, many of these groups have been contributing to their communities for more than a century, so public service is nothing new to them.

Question: Is there any particular model the Vice President favors?

Answer: The panelists are from a variety of types of programs -- nonprofits, like the Strive program in New York which was recently featured on 60 Minutes; America Works, the successful, private sector job placement and retention company; and public sector, such as the Social Security Administration, which has a long record of successfully hiring welfare recipients. The Vice President is particularly intrigued by what State Comptroller John Sharp has done in Texas. The Texas Pathfinders project has paired welfare recipients with community mentors to help them make the transition to self-sufficiency.