

SANDER M. LEVIN
17TH DISTRICT, MICHIGAN

COMMITTEES
BANKING
GOVERNMENT
OPERATIONS
SELECT COMMITTEE
ON CHILDREN, YOUTH,
AND FAMILIES



File:
Family
Support Act

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Congress of the United States
House of Representatives
Washington, DC 20515

June 10, 1986

Dear Colleague:

On June 4th, we introduced legislation to reform AFDC by mandating that education, job training and assistance in finding employment be provided to those on welfare. Senator Moynihan has introduced the bill in the Senate.

When Aid to Families with Dependent Children was established 51 years ago, it was designed as an income assistance program. Over the last twenty years, we have tried and failed to effectively link AFDC recipients to work and training programs aimed at helping them gain economic independence. Now, with increasing need, new understandings, and national attention focused on the challenge of bringing new opportunities to the disadvantaged, the time has come to make job training and preparation a top priority for the AFDC system.

The need to act is clear. One half of all AFDC recipients are high school dropouts. Many are functionally illiterate. Remedial education and the opportunity to finish school are essential if those on welfare are to succeed at any level in the job market.

The Work Opportunities and Retaining Compact of 1986 (WORC) amends title IV of the Social Security Act and provides step by step assistance for welfare recipients to find employment.

WORC will require states to offer mandatory education, training, job counseling and placement services for most AFDC clients. Participants in the program would also be eligible for support services such as day care and transportation.

This legislation would replace the successful statewide Work Incentive demonstration programs (WIN) which have proven effective in helping AFDC recipients in 26 states become self sufficient. This WIN authority is scheduled to expire next year.

The federal government would pay 70 percent of the education and training costs of WORC, and 50 percent for administration, and such support services, as child care and transportation. State governments will finance the balance. A five percent incentive payment is available to states that do a good job in finding employment for participants.

CBO preliminary cost estimates anticipate that WORC will require an investment of \$95 million over current expenditures in 1987 and \$945 million over five years. These estimates are conservative

because they do not take into account additional training the states may undertake. It is important to note that these estimates also do not reflect future savings that will result from reductions in welfare, medicaid and food stamp payments. Michigan's MOST program produced \$36 million in welfare savings, and the Massachusetts' ET Choices program reduced federal costs by 60 percent for a savings of \$64 million.

We believe WORC offers a fresh start and a real chance to the 3.7 million families now receiving AFDC and we hope you will join us in sponsoring this legislation. We have included a more detailed description of the proposal, a comparison with current law and an article on the bill from the June 5th Wall Street Journal. If you would like to join us or have questions on the proposal please call Kitty Higgins (225-4961).

Sincerely,

Barbara B. Kennelly

Sander M. Levin

Charles B. Rangel

George Miller

Richard A. Gephardt

Nicholas Mavroules

Joe Moakley

Barney Frank

Walter E. Fauntroy

Brian J. Donnelly

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ORIGINAL COSPONSORS

REPRESENTATIVE BARBARA KENNELLY

REPRESENTATIVE CHARLES RANGEL

REPRESENTATIVE RICHARD GEPHARDT

REPRESENTATIVE GEORGE MILLER

REPRESENTATIVE JOE MOAKLEY

REPRESENTATIVE BARNEY FRANK

SENATOR EDWARD KENNEDY

SENATOR JOHN KERRY

SENATOR BILL BRADLEY

CBO Preliminary Cost Estimates for WORC (FY '87-'91)

(in millions of dollars)

	'87	'88	'89	'90	'91
Current law*	260	300	335	355	380
WORC	95	200	230	210	210
Total	355	500	565	565	590

AFDC Families 3.7 million (11 million individuals)

No. of participants 1.5 million

*IVA and WIN

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Statement of Congressman Sander Levin (D-Mich)

Announcing

WORC - Work Opportunities and Retraining Compact of 1986

June 4, 1986

When AFDC was established 51 years ago, it was seen as solely an income assistance program. Despite piecemeal and often inconsistent attempts over the last twenty years, we've failed to link AFDC recipients to work and training programs aimed at helping them gain economic independence. Now, with increasing need, new understandings, and national attention focused on the challenge of bringing new opportunities to the disadvantaged, the time has come to make job training and preparation a top priority for the AFDC system. We must not continue to reduce the resources or threaten the program authorizations that make training and job preparation possible for AFDC recipients. Instead, we must weld AFDC to proven programs that enable recipients to leave the welfare rolls and join payrolls.

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We now know enough to create a successful program. We can build off the proven records of the 26 states that operate WIN Demonstration programs; we can build off of the authoritative evaluations prepared by the Manpower Development Research Corporation; and we can build from the recommendations proffered by the National Governors' Association, the American Public Welfare Association, the Children's Defense Fund, and many other groups whose hands-on experience has shown what works and what doesn't.

The time for reform is now. Right now the average monthly AFDC caseload is close to eleven million people, mostly women and children. Since 1979, child poverty has increased 31%, the sharpest increase since poverty statistics have been collected. We need to do something now to give greater opportunity to the millions of poor families receiving welfare payments and a brighter future to the one out of five American children who live in poverty. We need welfare reform now, not because we wish to blame those in poverty or force them to exchange their welfare benefits for make work that leads them neither out of poverty nor towards new skills that can guide them out of a dead end road. We need to act now because we know some of the answers that can help families now.

We know the difficulties those receiving welfare, and I mean the adults and not the two thirds of all recipients who are children, face. We know that one half of all AFDC recipients are high school drop outs. Many are functionally illiterate and for them, finding a job is not as simple as skimming the want ads or perusing the yellow pages for suitable employers--they can't read or understand either one. They often need remedial education and the opportunity to finish school if they are to succeed at any level in the job market.

page three

Even more important, we know that female heads of households, aged 25 to 34, can earn enough to keep a family of three out of poverty in 80% of all traditionally male occupations but in only 45% of all traditionally female occupations. For a single woman raising her children this fact mandates that she finds not simply a job paying the minimum wage that guarantees that she and her family will remain mired in poverty; she needs a job that can bring her an adequate income and at least some health benefits for her family. We should not expect mothers of young children to give up their Medicaid benefits for a job that does nothing about health coverage. In addition, child care and transportation assistance must be available to those in training.

Poor women need more than simple job hunting skills; they need the training that will let them enter the job market primed to find and keep a good job in an expanding field. To give them less is to only hold out false hope and, for many, a return to the AFDC rolls.

We have all heard much about the success of the Massachusetts ET Choices program. Massachusetts is one of many States that has had success in helping thousands of AFDC recipients leave welfare for work.

In 1984, my home state began the Michigan Opportunity and Skills Training Program (MOST), relying in large part on WIN funds and WIN Demonstration authority. When the program began, Michigan's AFDC caseload stood at 245,924. In less than two years, better than 55,000 people found work after going through some type of education and skill training. Approximately one half found jobs that offered health benefits.

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To prepare people for jobs, the MOST program offers welfare recipients a variety of training opportunities. Since 47% of all MOST participants begin the program without a high school diploma, general education is a necessity. Many participants also take advantage of job specific vocational education programs and community college courses. Participants are trained for clerical positions, word processing, food service occupations, auto mechanics and a variety of other growing occupations. For those already job ready there are three separate forms of job search - job club, job seeking and job development - each tailored to the specific needs of specific participants. And for those in need of job experience, in order to develop improved work habits and attitudes or to maintain or upgrade existing skills, the Community Work Experience Program offers a valuable opportunity.

To insure that all recipients can maintain their participation, MOST allocates substantial funds for child care and transportation particularly important for rural participants. The program is not cheap, approximately \$40 million a year - \$18 million from WIN and the balance from state revenues. But it serves a monthly average of 41,000 welfare recipients and, as of August 1985, had already saved \$36 million in reduced welfare payments. As the long term effects of those initial saving accumulate, that dollar total will rise.

Based on the results of Michigan's project and the many other successful AFDC work, training, and education programs I was fortunate enough to review as Chair of the Democratic Caucus Task Force on Job Training, we put together a proposal that builds on the proven record. We combine the best parts of several programs while maintaining each state's right and need to tailor their program

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to meet their particular situation. The result is WORC - the Work Opportunities and Retraining Compact of 1986.

WORC contains six key elements.

1. A comprehensive plan to link Welfare and Training.

All states would be required to develop a comprehensive employment and training plan for welfare recipients. The effect would be to consolidate the many separate funding and program authorities that now exist under Title IV. The bill would also require that this training program be developed in partnership with other state and local agencies responsible for job training and education including programs administered under the Job Training Partnership Act, Employment Service, vocational education, local education agencies and community colleges.

2. Mandatory registration, counseling, and assessment for all non-exempt AFDC recipients.

Out of the assessment and counseling process will come a job preparation plan for every individual. States would be encouraged to promote the voluntary participation of persons exempted from work-related requirements.

3. Education and training options must be provided.

States would be required to offer education and training options to those who need such opportunities to become job ready. All of the employment activities currently permitted under WIN/WIN Demonstrations, JTPA, and under all other AFDC work program authorities would be funded, as would any other program leading to employment.

4. Child care and transportation assistance available to those participants who need it all points during the program.

5. Adequate resources to fund a comprehensive program.

Funding would be provided on a 70% federal and 30% state matching rate for all training and education costs and in the outyears would be raised to 75/25 where states exceeded performance standards. Administrative and support service costs such as child care and transportation would be funded at a 50% federal and 50% state matching rate.

6. Performance measured not by simple participation but by measured outcomes.

Building on the JTPA experience, both national and state performance standards would be set. States that met or exceeded performance standards would have a lower match rate. Standards would be developed by the Office of Technology Assessment in consultation with the Secretary of Health and Human Resources, the Secretary of Labor and with the advice of state officials and other experts. These standards will include such measures as job placement rates, job retention, reduction of welfare costs and caseloads, education improvements and percent of jobs that provide employer financed health care benefits. Performance standards will give credit to programs that help those with the greatest barriers to employment and take into account the unemployment rate in each state. These performance standards should be coordinated with JTPA standards.

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Over the last few years we have learned a painful lesson; a rising tide does not lift all boats. And some people, we have also discovered or rediscovered, don't even have a boat to get into. But with WORC we can build a national program that offers those in poverty new opportunity. We can help those who are stuck on the bottom to find their own way up and out.

I believe WORC gives states the tools and resources they need to reform our welfare system. The time to act is now.

WORC's Six Key Features

1. A Comprehensive plan to link Welfare and Job Training.

All states would be required to develop a comprehensive employment and training plan for welfare recipients. The bill would consolidate the four separate program authorities that now exist under Title IV. The bill would also require that this training program be developed in partnership with other state and local agencies responsible for job training and education including programs administered under the Job Training Partnership Act, Employment Service, vocational education, local education agencies and community colleges.

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4. Child care and transportation assistance available to those participants who need it

Support services--especially child care are essential if participants are to succeed in training and in finding and keeping a job. WORC will ensure that the necessary services are provided.

5. Adequate resources to fund a comprehensive program.

Funding would be provided on a 70% federal and 30% state matching rate for all training and education costs. Administrative and support service costs such as child care and transportation would be funded at a 50% federal and 50% state matching rate.

6. Performance measured and rewarded by results.

Building on the JTPA experience, both national and state performance standards would be set. States that met or exceeded performance standards would have a 5% lower match rate. Standards would be developed by the Office of Technology Assessment in consultation with the Secretary of Health and Human Resources, the Secretary of Labor and with the advice of state officials and other experts. These standards will include such measures as job placement rates, job retention, reduction of welfare costs and caseloads, education improvements and percent of jobs that provide employer financed health care benefits. Performance standards will give credit to programs that help those with the greatest barriers to employment and take into account the unemployment rate in each state. These performance standards should be coordinated with JTPA standards.

WORK OPPORTUNITIES AND RETRAINING COMPACT OF 1986
(W O R C)

AMENDS TITLE IV OF THE SOCIAL SECURITY ACT

PURPOSE: To simplify current law and reform Aid to Families with Dependent Children (AFDC) by requiring each State to educate, train and find jobs for those on welfare.

PARTICIPANTS: All AFDC recipients will register for work-related counseling and assignment to training. Current exemptions are continued, but AFDC recipients with children under 6 are encouraged to participate voluntarily.

ADMINISTRATION: The Secretary of Health & Human Services will administer the federal program. The welfare agency will run each state's program.

PROGRAM DESIGN: The state will assess the employment prospects of each registrant and refer applicants for counseling, training and placement. All education and training activities authorized under WIN, JTPA, Vocational education, the public employment service and other programs leading to permanent job placement are eligible activities under this act.

FUNDING: The federal government will pay 70% of the education and training costs and 50% for administration, and such support services, as child care and transportation. A 5% incentive payment is available to states that do a good job in finding jobs for participants.

PERFORMANCE STANDARDS: States will be eligible for incentive payments if they meet or exceed performance standards. These performance standards will measure such outcomes as job placements, wages, job retention, reductions in AFDC payments and cases, education improvements and the extent to which the jobs provide health benefits.

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- PRESS STATEMENT -

Today Governor Michael S. Dukakis hailed legislation introduced by Congressman Levin and Senators Moynihan, Kennedy and Kerry as the first step towards developing a national Employment and Training CHOICES program for all welfare recipients.

The "AFDC Employment and Training Act of 1986" provides for career counseling and assessment for all welfare recipients while also allowing states to provide the full range of choices, including education and training, that are available under Massachusetts' own E.T. program.

Under this legislation states will be given the flexibility and fiscal resources they need to design comprehensive employment and training programs to best suit their clients needs. Initially, states will be required to share 30% of the work and training costs, but as ET has shown an up front investment can lead to tremendous long term savings. This year alone E.T. will save an estimated \$107 million in reduced welfare benefits from Social Security contributions and income and sales taxes.

On behalf of myself and the 25,000 welfare recipients who have already obtained full or part time jobs through E.T., I would like to congratulate the members of Congress whom have taken the initiative to seize upon the ever growing successful state programs that are designed to provide all welfare recipients a route out of poverty.

WORK OPPORTUNITIES AND RETRAINING COMPACT OF 1986
(W O R C)

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HOUSE COSPONSOR

- | | |
|-----------------------------|--------------------------------|
| 1. Rep. Gary Ackerman | 26. Rep. Nicholas Mavroules |
| 2. Rep. Michael Barnes | 27. Rep. Barbara Mikulski |
| 3. Rep. Berkley Bedell | 28. Rep. George Miller (Calif) |
| 4. Rep. Howard Berman | 29. Rep. Joe Moakley |
| 5. Rep. George Crockett Jr. | 30. Rep. Bruce Morrison |
| 6. Rep. Tony Coelho | 31. Rep. Robert J. Mrazek |
| 7. Rep. Richard Durbin | |
| 8. Rep. Brian Donnelly | 32. Rep. Stephen Neal |
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| 22. Rep. Mickey Leland | 46. Rep. Lawrence Smith |
| 23. Rep. Mikey Lowry | |
| 24. Rep. Tom Manton | |
| 25. Rep. Matthew Martinez | |

Questions and Answers on WORC

1. How much will WORC cost?

- WORC would substantially increase the education and job training services provided to welfare recipients. It would also make mandatory the provision of child care, transportation and essential services to participants and their families.

- The CBO preliminary estimate anticipates that these additional job training services for welfare recipients will require an investment of \$95 million over current expenditures in 1987 and \$945 million over five years.

-- This CBO estimate is conservative. It is based on current policy and does not take into account significant additional training activities that may be undertaken by the states. It is vital to note that CBO's preliminary estimate does not reflect savings that will result from reductions in welfare, medicaid and food stamp payments.

- State experience confirms that investment in education and training does pay dividends.

--The Manpower Demonstration Research Corporations (MDRC) study of 4 sites found that the federal government receives 60% to 70% of savings for every client that participated.

-- Michigan's MOST program produced \$36 million in welfare savings.

-- Massachusetts' E.T. Choices program reduced federal costs by 60% for a savings of \$64 million.

2. Why do you think this proposal will work?

- We have solid evidence from a number of the states now running education and training programs for welfare recipients.

- Maine's WEET (welfare, employment, education, and training) program has placed 4,500 AFDC recipients in jobs saving \$11.5 million in welfare payments.

- Arizona's work incentive program placed almost 10,000 in 3 years and saved over \$14 million in welfare funds.

- Massachusetts E.T. choices program has saved taxpayers \$60 million.

- Michigan's MOST program produced savings of \$36 million.

- MDRC and GAO have found similar positive results.

3. If the State's programs are so successful, why introduce new legislation?

- First, just over half the states are running comprehensive programs

- Second, the federal authority these states are using expires next year

- Third, there must be a broad, national mandate and the necessary resources to ensure that states help those on welfare get off welfare and into private sector jobs.

4. Why not wait for President Reagan's welfare reform study to be completed?

- Reform of the welfare system has been studied by every President since Kennedy. Senator Moynihan even chaired one of those studies in the early '70's.

- We don't have all the answers but the states have shown the way in the area of training and preparing welfare recipients for work. Now is the time to act.

- Our proposal is consistent with the President's stated objectives and has some features similar to proposals he's introduced. Even his own Commissioner for Human Services (Joann Ross) testified there was no need to wait.

- There is no debate about the need to train and find job opportunities for welfare families. This will be desirable, however we proceed with general reform.

5. How does WORC differ from the Reagan Administration proposals?

- First, WORC funds education and training. The Reagan program would not. (Half of all welfare recipients have never finished high school.)

- Second, WORC will pay up to 70% of the costs. The Reagan program would pay just 50%. (Studies have shown that the federal government receives most of the savings from reductions in AFDC, food stamps and medicaid.)

- Third, WORC emphasizes performance not participation. States that do a good job in placing welfare recipients in jobs with decent wages and health benefits will be rewarded with incentive payments.

6. What are the chances of legislative action this year?

- It's always tough to predict in an election year, but this proposal is good politics because it is good policy.

- In a recent ABC- Washington Post poll, 72% said government isn't doing enough to help those on public assistance get jobs. 89% supported job training for welfare recipients.

- Congressman Harold Ford has held a number of hearings in his Ways & Means subcommittee and is likely to report a bill by Fall.

- The Senate has scheduled hearings for mid-July.

7. Isn't the success of the Massachusetts program due primarily to the state's low unemployment rate?

- Massachusetts recovery has helped, but Governor Dukakis points out that in his first term unemployment fell by five points and the welfare caseload increased by 15%.

- Michigan has an unemployment rate more than double the rate in Massachusetts and a very similar program called MOST. Michigan's welfare caseload has dropped by 26,000 over the last three years because of MOST.

8. Is participation in WORC mandatory?

- All welfare recipients must register and receive counselling

- Current exemptions for those with children under six still apply.

States can choose to run a voluntary program like Massachusetts or a mandatory one like California's GAIN.

- The emphasis is on performance not prescription. All the states will be evaluated on the job they do in finding work for welfare recipients.

9. Do those on welfare really want to work?

- Yes. Studies have shown that for most welfare recipients it pays to work.

- In Massachusetts the average wage for full-time jobs was \$10,000 a year. The average AFDC/Food Stamp benefit level is \$6,600.

- MDRC's study showed financial gains for welfare clients who participated in the work and training program.

10. What about child care?

- WORC mandates that child care, transportation, and other support services needed to successfully complete training be provided.

- WORC will share the cost of child care and other services equally with the states.

11. Are other reforms of our welfare programs needed?

Yes.

- In addition to transition assistance -- training, education and childcare -- as provided by this proposal, any comprehensive reform of welfare must also include:

1. Incentives to maintain families by providing AFDC for two parent families and tougher child support enforcement.

2. Adequate benefits, through a minimum national benefit standard.

Congress of the United States
House of Representatives
Washington, D.C. 20515

July 26, 1986

Dear Colleague:

I thought you might be interested in an article that appeared in the July 23rd edition of the Wall Street Journal describing initiatives in a number of States to train those on welfare for permanent employment.

On June 4th, Senator Moynihan and I introduced the Work Opportunities and Retraining Compact (WORC) which would require all states to provide job training and employment opportunities to AFDC recipients. WORC (HR-4929) is modelled on these successful state programs and includes six key features:

1. Comprehensive state plans to link welfare and training
2. Mandatory registration, counselling and assessment for all non-exempt AFDC recipients.
3. Education and training to become job ready
4. Child care, transportation and other support services
5. Shared costs - - - 70% federal-30% state for training and education; 50% federal-50% state for administration and support services
6. Performance standards to hold states accountable for results.

Since WORC was introduced 40 of our colleagues have joined as sponsors (list attached). A number of Governors and state welfare commissioners are also supporting this bill.

I hope you will take another look at this legislation and consider co-sponsoring. If you have any questions or need additional information, please call Kitty Higgins at 225-4961. I look forward to working with you.

Sincerely,

Sander M. Levin

THE WALL STREET JOURNAL.

June 5, 1986

Democrats Offer Welfare Initiative Focusing on Work

By JOANN S. LUBLIN

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—A dozen leading House and Senate Democrats unveiled a broad legislative proposal to require every state to train welfare recipients and help them find jobs.

The bill would combine four current federal programs into a new one dubbed the Work Opportunities and Retraining Compact, or WORC. Under the program, all welfare recipients, except those with children under six years old, would have to sign up for job training and counseling. States would have to provide welfare recipients with child care and other support services.

The Congressional Budget Office estimated that the additional job training would cost the U.S. at least \$945 million over five years. But proponents said the measure would trim federal welfare expenditures significantly over the long run.

For every dollar spent, "we get many more dollars returned when people get off welfare," declared one sponsor, Rep. Barbara Kennelly (D., Conn.). "It's politically feasible to have this bill at this time."

The measure probably will fuel further a simmering national debate over reshaping federal welfare policy. President Reagan, a longtime advocate of obligatory welfare, has asked a White House cabinet council to come up by Dec. 1 with recommendations for overhauling the welfare system. A strong push by Democrats for their alternative could make it a focus of the full examination

The Reagan administration repeatedly has urged Congress, without success, to enact a national "workfare" program. In contrast to the latest Democratic plan, a recent administration proposal would limit the extent to which states could provide remedial education and job training to welfare recipients. It also wouldn't allow states to offer child care for recipients enrolled in job-training programs.

The Senate recently defeated a Reagan budget proposal to eliminate the federal government's Work Incentive Program, a training program that was begun in the 1960s and was funded at \$211 million this fiscal year. Proponents of the new WORC program interpreted that action as a sign that lawmakers might look favorably on the new proposal. The WIN program is among those that would be merged into WORC.

Under WORC, states would have to assess participants' job prospects, and then help them get trained and placed in jobs. The federal government would cover 70% of the training costs, with states paying for the rest; they currently split such expenses evenly. States would receive bonus payments if welfare recipients excel at landing and keeping jobs.

Democrats hope to win support for their plan from Republicans representing states that already have instituted work-training requirements for welfare recipients. A 1981 law, which expires next year, gave states and local governments new flexibility to experiment with requiring welfare applicants to undertake job training or community work.

About seven states have statewide efforts to provide some type of mandatory work activities for employable welfare recipients; another 30 are experimenting with such programs. Most offer participants help in finding jobs or in getting education before requiring them to work for their monthly assistance.

"Welfare reform and linkage to job training is a matter of tremendous interest to the public," said Rep. Sander Levin, the Michigan Democrat who drafted the bill. "It will be a political issue because it's a public issue." Despite budget constraints, he said a full House vote "is possible" this year.

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NATIONAL

Is welfare reform's time at hand?

Democrats offer bill stressing job training to reduce welfare rolls

By Robert P. Hey
Staff writer of The Christian Science Monitor

Washington

Welfare reform has been a topic of intermittent discussion for at least 20 years. But 1987 may actually see action on the issue. Some here believe that next year welfare reform may be what tax reform is today: the principal domestic issue in the nation's capital.

By Dec. 1 a White House task force is to report to President Reagan on the nation's family and welfare policies. It is widely expected that one result of this probe will be a major presidential initiative on welfare reform by early next year.

But this week a group of congressional Democrats, led by Sen. Daniel P. Moynihan of New York and Rep.

Sander M. Levin of Michigan, stole a march on the administration. The Democrats introduced a bill that would effect substantial changes in the federal welfare system.

Under the proposal, four current federal welfare programs would be combined into a single program called the Work Opportunities and Retraining Compact. States would be required to establish a single job-training and education program.

For the first time, all welfare recipients, except those with children under six years old, would be required to enroll in job training and counseling programs as a condition to receiving benefits. The federal government would cover 70 percent of the job-training costs, with the states paying for the balance (they

currently split such expenses evenly with Washington). States would be required to provide day care for the children of parents who need it in order to take advantage of education or training opportunities.

The Democratic proposal is in part an attempt to seize the political initiative on an issue that appears to be ripe for public attention. There has been increased talk both in Congress and in the administration about the need for welfare reform.

The Reagan administration is thought to favor a reduction in federal job training and counseling programs and increased emphasis on "workfare," under which all welfare recipients would be required to take public-service jobs in order to "work

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off' their grants.

The Democratic proposal, while not altogether rejecting workfare, would put increased emphasis on job training and education for welfare recipients. The sponsors hope their approach will be regarded more favorably by the public, and they may see it as a campaign issue this year.

The Congressional Budget Office estimates that the additional job training provided in the Democratic bill would cost the federal government at least \$945 million over five years. But the bill's supporters assert that by getting welfare recipients into productive jobs and off the welfare rolls, their program would cut federal welfare outlays over the long run.

The Democratic plan seeks to build upon the successes of several states that are reducing their welfare rolls by offering substantial education and job-training programs to adults receiving public assistance.

Welfare experts often cite Massachusetts as a leader in this area. Bay State officials say that as a result of the state's programs, more than 20,000 welfare recipients have been able to move off the rolls in three years. (Some observers believe, however, that Massachusetts's booming economy is also a principal reason for the state's success in cutting its welfare rolls.)

For the past five years the agenda of debate in Washington on many domestic social programs has been set largely by conservatives, often including the administration. Conservatives in general have sought to cut back on federal welfare funding, while liberals have battled to maintain the status quo.

Rumors about the direction being taken by the President's welfare commission lead liberals to conclude that the same pattern will be repeated next year. Liberals suspect that the administration will recommend letting the states run welfare programs as they wish, with the federal government's role limited to providing a lump-sum payment each year for distribution by the states.

The administration repeatedly has said no decisions have yet been reached. Nonetheless skeptics fear the net effect of administration proposals will be to reduce the amount of money Washington provides to welfare recipients, including funds intended to help them become self-supporting.

Liberal Democrats hope to change this pattern by their action this week of putting their ideas on the table first, rather than permitting conservatives once again to define the boundaries of serious discussion.

Over the two decades that welfare reform has been debated, the issues have drastically changed. In the late 1960s, when reform first was hailed as an idea whose time had come, discussion revolved around providing a guaranteed annual wage, or jobs, to welfare recipients. That idea lost favor in the mid-



Moynihan will push welfare reform bill in the Senate

1970s, however, when results of several test programs indicated that a guaranteed income tended to reduce the desire of recipients to get off welfare and obtain work, just as conservatives had warned.

For the past decade there has been what some observers here describe as a truce between conservatives and liberals on welfare, with each side not wishing to reopen debate about reform for fear the other side would gain the upper hand in any changes.

During the 1980s the initiative in change has been with the states, which are conducting a number of disparate experimental programs ranging in type from Massachusetts's education-and-training approach to California's emphasis on workfare.

Welfare Revised

More States Now Ask Recipients of Aid To Train and Take Jobs

Massachusetts and California
Also Provide Child Care,
Freeing Mothers to Work

Reagan's Workfare Memories

By JOE DAVISON

Staff Reporter of THE WALL STREET JOURNAL

BOSTON—Donna Deshaies recently celebrated the first anniversary of her freedom—freedom from the boredom that many mothers on welfare suffer. In April of 1985, she began work in the payroll department of Massachusetts General Hospital, a job she got with the help of the state's Employment and Training program.

Ms. Deshaies, who is 23 years old, trained for the job during a 16-week course that covered not just clerical skills but also such subjects as interviewing for a job and dressing properly for work. During her training, she continued to get her welfare check. Child care and transportation expenses were paid by the ET program.

"I wouldn't have been able to pay for my own training," she says. And even had she found tuition money, child-care expenses for her two-year-old daughter, Tiana, would have been unaffordable. Today, she no longer is on welfare.

The Massachusetts experiment is an example of new efforts by states to resolve welfare problems. California is just beginning a program called Greater Avenues for Independence, or GAIN, that, like ET, uses training to get people off public assistance and into jobs. And like ET, the California program offers child-care aid, which is crucial in a nation in which two-thirds of the 11 million people on the main federal-state welfare program are children.

Working for the Money

Just about everybody agrees that the current welfare system needs repair, if not replacement. In his State of the Union address this year, President Reagan said he was instructing his Domestic Council to evaluate federal programs for the poor and to develop, by Dec. 1, "a strategy for immediate action." Because Mr. Reagan often makes clear his belief that welfare recipients should work for their money, the White House strategy is expected to include a so-called workfare program.

Workfare is controversial, but the states may take the lead here as well. In a compromise that led to California's adoption

a plan, liberals agreed to a form of workfare so long as child care was part of the program. Some members of Congress hope that a similar federal compromise might lead to refashioning Aid to Families With Dependent Children, a \$15 billion-a-year program.

Job creation and child care are critical, though expensive, elements in changing welfare, says Barbara Blum, the president of the American Public Welfare Association and of the Manpower Demonstration Research Corp., which evaluates state welfare programs. "It does get down to whether we're willing to make the front-end investment for a long-term benefit," Ms. Blum says.

Spending and Saving

ET's \$50 million annual budget represents a considerably higher investment than the \$12 million Massachusetts spent on welfare in 1982, the year before ET began. But ET's job-placement costs are about half those of the former program, says Charles Atkins, the state public-welfare commissioner. "For every dollar we invest in ET, we save two dollars in reduced welfare benefits and increased tax revenue," he says. Half of ET's budget is spent through child-care vouchers that parents, usually mothers, can use at any licensed facility. The state continues to pay for day care for as long as one year after the welfare recipient gets a job.

Connie Parks pays only \$17.50 of the \$60 weekly day-care bill for her three-year-old son, John. "If I had to pay \$60 for day care every week, there wouldn't be any sense in working," she says. Until last October, Ms. Parks, 34, had been on welfare since another son, now 15, was born. After so many years on public assistance, she finds it somewhat hard to believe that now she is employed in the data-processing unit of Boston's Grove Hall welfare office.

Like Ms. Parks, others have been "rolled over" from welfare through ET's on-the-job training project known as supportive work and into regular, full-time employment in private industry.

'A Different Person'

The supportive-work option is one of several available to ET clients. Janice Perryman chose instead to earn her high-school equivalency diploma and enter ET's 28-week Office Skills Training Program in Boston's United South End Settlements. Beyond the typing and word-processing skills that Ms. Perryman is learning, she says she is more self-assured and thus has a better relationship with her children. "Now they can ask me questions with confidence," she says. "Before, they would say, 'She don't know.' I'm a different person, so they're different, too."

After Ms. Perryman's training is completed and employment begins, she and her children will be eligible for one year of state-paid health services if health insurance isn't available from her job.

ET is widely praised. Between October when ET began, and January 1986,

Welfare Revised: More States Ask Aid Recipients to Do Some Work

Continued From First Page

Massachusetts authorities estimate the caseload would be at least 93,200.

But there are skeptics. The average annual Massachusetts welfare grant of \$4,800 leaves recipients well below the poverty line, which is true of welfare recipients in all the states. Even the yearly income from the average ET full-time job—\$11,000—is well below "breadwinner's wages," complains Dorothy Stevens, a Boston welfare recipient and activist. As of July 1, state officials won't pay contractors who train ET clients if the recipients aren't placed in jobs paying at least \$5 an hour.

President Reagan's 1987 federal budget proposal calls for the "work incentive" (WIN) program that finances flexible state initiatives such as ET to be replaced by a cheaper "work opportunities" project. ET would lose about \$1 billion under the Reagan proposal, according to Gov. Michael

Dukakis, who says he would try to find the money elsewhere rather than let the program die.

The Reagan proposal would require that up to 75% of able-bodied welfare recipients, excluding mothers of young children, enroll in a work-related activity. The National Council of State Legislatures has told Congress it "opposes the imposition of a national, mandatory work program because such a program fails to recognize special state and local conditions."

Cutting costs while increasing benefits to the "truly needy" long has been a central element of Mr. Reagan's welfare philosophy. Budget cuts made in fiscal 1981 reduced the 3.5 million AFDC cases by about 442,000, according to the General Accounting Office of Congress. Yet real income for recipients continued to drop, as it had been doing for years. From 1971 to 1985, the AFDC benefit fell by one-third in constant dollars. When food stamps are included in the computation, the drop still is 20%.

Mr. Reagan's views on welfare have been shaped to a large extent by his experiences as governor of California between 1966 and 1974. He and the state legislature developed a welfare program that the president continues to cite as a "tremendously successful" model of welfare reform that included workfare.

Report for Work

In a press conference earlier this year, he defined workfare in describing the program's goal—"We are going to order able-bodied welfare recipients to report for these useful jobs. . . . They're doing it in return for their welfare grants." He stated that the program reduced the welfare caseload by 300,000 people and funneled 76,000 recipients into private-industry jobs.

Others say the California program wasn't as successful as the president remembers. A 1974 California auditor general's report on workfare said that "at the maximum" 2.04% clients participated in the program during the first 21 of its 36 months. Gerald Hawes, an author of the report, says that it is "inconceivable" that more than 3,000 people were placed by workfare. Researchers say Mr. Reagan's program accounted for far less of the caseload decline than he claims.

Robert Carleson, who was the state's social-welfare director under Mr. Reagan and who was a White House adviser during the president's first term, says workfare was just an experimental project. But he argues that the Reagan program was a significant factor in the caseload decline.

No Pain, No GAIN

President Reagan firmly opposes automatic cost-of-living increases in AFDC grants, but that is one of his legacies in California's program. In order to get his revision package passed by the state legislature, he agreed to index welfare grants to the inflation rate. Largely because of that, California's monthly grant of \$587 for a family of three is higher than almost every other state's.

Today, California again is experimenting with changing welfare. The program called Greater Avenues for Independence was enacted last year, and county administrators now are drawing up plans to put it into effect. GAIN is similar to ET but has a workfare component.

How California's new workfare is constructed was the "key to compromise" that allowed liberals and conservatives in the state legislature to pass the welfare package, says Assemblyman Art Agnos, a San Francisco Democrat. Under GAIN, a recipient isn't placed in workfare until various training and employment programs have been exhausted. And then the placement must be in a job for which the client was trained.

A written contract between the client and the system outlines the recipient's benefits, including food stamps, Medicaid, child care and transportation services. It also stipulates the welfare recipient's responsibilities, including a work activity. If a dispute should develop over carrying out the contract, it may be resolved by arbitration.

The program has its critics. Kevin Aslanian, of the Coalition of Welfare Rights Organizations in Sacramento, says GAIN will lead to dead-end jobs that won't encourage independence from welfare. State Sen. Diane Watson says she voted against GAIN because it provides no funds for job development, which she feels is crucial if recipients are to move off the welfare rolls.

Sparing the Children

Mr. Agnos says he voted against workfare previously because he believes it generally punitive and smacks of making work. GAIN, however, has its own punitive element. If a recipient repeatedly fails to keep an agreement with the welfare system, checks can be sent to a third person, such as a friend or minister, who pays the client's bills. "The emphasis here," Mr. Agnos says, "is not to punish the children who are the real recipients in AFDC."

Major child-care provisions were an important element in attracting liberal support for GAIN and a concession conservatives realized they had to make, says Cal Williams, California's deputy director of social services, who helped negotiate the GAIN compromise for the conservative Republican administration of Gov. George Deukmejian.

Liberals acknowledged that workfare needn't be slave labor and agreed the money can be poured into the welfare system without generating self-reliance, says Mr. Williams, who also worked on Gov. Reagan's workfare program. Conservatives recognized that workfare isn't the entire answer and that comparatively expensive programs for training and supportive services must be considered part of the solution. "So we moved a long, long way in our view," Mr. Williams says of conservatives. "We weren't willing to do that until recently."

Rep. Harold Ford of Tennessee, the chairman of the House Ways and Means subcommittee on public-assistance programs, believes "the atmosphere is there for conservatives and liberals in Washington similarly to develop a compromise welfare."

THE WELFARE-TO-JOBS MOVEMENT: BACKGROUND AND ENDORSEMENTS

The recent history of federal efforts to assist low-income AFDC recipients--mostly women--to qualify for and find employment began in 1967 with the enactment of the Work Incentive (WIN) program. It was established in the Social Security Act to provide training, work experience and public service employment. Since that time the emphasis of the program has altered, placing more stress on direct job placement rather than training and education.

WIN is now administered jointly by the Department of Labor and Health and Human Services. Federal funding for the WIN program has declined sharply, from \$363 million in 1981 to \$211 projected for 1987. Because of the decline in resources, the services provided in WIN have been focused almost exclusively on those within the AFDC caseload best qualified to find employment, rather than on those whose job-readiness is at a low level.

Since 1981 there have been major changes in the work program. That year the Reagan Administration proposed mandatory "workfare," or requiring employable AFDC recipients to "work off" their grants. The Congress, through the Omnibus Budget Reconciliation Act of 1981 and subsequent legislation, made "workfare" and other approaches optional for the states. The 1981 budget legislation authorized states to undertake "WIN Demonstration" programs, administered solely by the state welfare agencies with oversight by HHS. Between 1982 and 1985 twenty-six states initiated "WIN-Demo" programs in which the states receive waivers of some WIN program requirements, and special funding to operate what have developed into innovative approaches to promoting self-sufficiency for AFDC recipients.

The WIN demonstration programs usually offer a mix of elements including education, job search, work experience, classroom and on-the job training. Day care and transportation are generally included as they are under the regular WIN program. The authorization for WIN demonstration programs, including those in Massachusetts, California, Connecticut, Michigan and Arizona, expires in 1987.

As it now exists, WIN is the only source of federal money specifically dedicated to helping recipients of Aid to Families with Dependent Children (AFDC) achieve self-sufficiency. It provides states with an indispensable resource in their efforts to establish efficient and effective employment and training programs aimed at reducing welfare dependency. Elimination of the program as has been previously proposed, would severely damage the employment efforts and work program innovations now being undertaken by the states, further eroding the limited system now available to help low-income families attain economic independence through employment. This would be especially unfortunate in light of the rising number of poor families headed by single women who must turn to AFDC for support. Without adequate work program resources, states cannot effectively combat this regrettable trend.

WIN provides employment and training services for AFDC recipients who are required to register for work-related training. The program emphasizes placing the maximum number of participants in self-supporting employment to reduce the nation's welfare assistance costs.

WIN Accomplishments

Arguments have been made for cutting or eliminating WIN funding based on claims that the program is not cost-effective and that the Job Training Partnership Act (JTPA) can better meet the objective of helping AFDC recipients achieve economic independence. These arguments, however, neglect the facts:

Despite limited dollars, the states have had measurable success with WIN.

Nationwide, states registered over one million AFDC recipients for WIN services in FY 85. Roughly one-third of these registrants, 333,678, found jobs.

Individual state performance further exemplifies this success.

In Maine 4,500 recipients have found jobs since the start of its WIN demonstration in 1982, for welfare savings of \$11.2 million. In Massachusetts 24,000 got jobs, for \$70 million in welfare cost savings. In Florida \$32.5 million has been saved by placing 17,513 AFDC recipients in jobs. 23,095 AFDC recipients have entered employment in Oklahoma for an estimated \$31 million in welfare grant savings.

Without WIN many AFDC recipients would not have the support they need to enable them to find jobs.

One of the criticisms often cited of WIN is that the majority of AFDC recipients who are placed in jobs through the program would have found jobs on their own. This conclusion bears no true relationship to the facts. Like the data on most employment and training programs, the WIN statistics do not permit one to draw a direct correlation between WIN participation and a job placement. But the data do show that the majority of recipients placed in a job either participated in a WIN activity or received support services, (e.g. day care needed by recipients to enable them to find jobs). Without the provision of supportive services like day care and transportation, many welfare recipients would essentially be denied the opportunity to find jobs.

WIN saves more than double its cost.

For every dollar invested in WIN, the program produces two dollars in saving. The most recent data on welfare grant savings attributed to WIN show that in FY 84 welfare grant reductions totaled \$587 million, more than double the \$259 million in federal dollars invested in grants to the states for the period. The Department of Labor has not yet released complete program statistics for FY 85 but similar achievements are expected.

It is important to note that these numbers reflect adjustments made by the Department of Labor in response to recommendations contained in the 1982 General Accounting Office (GAO) report which asserted that WIN savings were overstated. If anything, these savings figures are conservative, since they do not include savings from welfare grant avoidance, reductions in Food Stamp and Medicaid expenditures owing to recipients who have moved off the welfare rolls and into employment, or the tax dollars generated from wages.

National evaluations point to WIN success.

Researchers at the Manpower Demonstration Research Corporation who have been evaluating the changes to WIN adopted by various states since 1981, have concluded that a number of different work program approaches can increase job placements and welfare savings. These programs can be successful in reducing welfare dependency. Quarterly entered employment rates for experimental vs. control group members increased 2-10% in three sites that were intensively evaluated. Depending on assumptions about future benefits, benefits exceeded cost for the average experimental compared to control group member by between \$100 and \$700.

The General Accounting Office in a 1985 report concluded that state AFDC employment and training programs financed by WIN are exhibiting encouraging progress in reducing welfare dependency.

The House Government Operations Committee following an examination of state programs, concurred with GAO's conclusion and recommended that funding for WIN be continued.

The Department of Health and Human Services in an evaluation conducted of WIN demonstrations found that in aggregate the number of individuals entering employment increased within the first year of the program's operation alone. Moreover, the federal expenditures per year entered employment had dropped in 13 of the 17 states reviewed.

Win provides a service for AFDC recipients that JTPA cannot.

While JTPA can be effective in reducing welfare dependency, AFDC recipients are just one of the many categories of disadvantaged individuals eligible for program services: JTPA cannot be expected to effectively serve the more than 1.5 million recipients eligible for AFDC employment and training services, given its funding restrictions. Moreover, JTPA has severe limitations on the amount of support services that can be provided participants. Welfare recipients have day care, transportation and counseling needs that could not be met by JTPA.

WIN and the Future

What is needed now is an effort to improve upon WIN successes without diminishing the kind of support and flexibility states now have to operate constructive, innovative programs.

There is overwhelming public support for effective welfare-to-jobs programs, as evidenced by the comments below:

The President:

"Tonight I am charging the White House Domestic Council to present me by December 1, 1986, an evaluation of programs and a strategy for immediate action to meet the financial, educational, social and safety concerns of poor families. I am talking about real and lasting emancipation because the success of welfare should be judged by how many of its recipients become independent of welfare."

-- State of the Union, January 4, 1986

"It's time to reshape our welfare system so that it can be judged by how many Americans it makes independent of welfare."

-- Radio Broadcast, February 15, 1986

State and Local Government:

"As governors, one of our primary agendas is economic development. We believe that investment in human development is a critical piece, perhaps the most critical piece, of that agenda. We must care humanely for those among us who cannot work and we must return to productivity those among us who can. . . . We believe that a well-constructed employment program is the very heart of any effort to reform the welfare system. Really addressing the issues of welfare and employment means building a system that creates ladders on which poor families can truly climb out of poverty."

-- Delaware Gov. Michael N. Castle on behalf of National Governors' Association before the Advisory Commission on Intergovernmental Relations, April 18, 1986.

"Human service administrators recognize that the obligation to provide for the dependent includes the duty to give them the means to lift themselves out of poverty by attaining or regaining self-sufficiency. Since employment is a primary means of escaping dependency, employment training and education must be an integral part of welfare programming. . . . The National Council of State Human Service Administrators believes that the federal government bears an important responsibility for overseeing a sound national welfare-to-employment program, as well as maintaining a healthy economy that offers ample opportunity for gainful work."

-- New York Social Services Commissioner
Cesar A. Perales before the House Ways and Means
Subcommittee on Public Assistance and
Unemployment Compensation, March 13, 1986.

"We guarantee every welfare recipient in the state that we will never give up on them--as long as they don't give up on themselves. As long as they're willing to put forth the effort it takes to get a job--we'll never give up doing whatever it takes to help them succeed. . . . We need to maintain the level of funding and flexibility that we currently have in federally sponsored welfare-to-work programs. . . . And rather than more rules mandating different types of programs for recipients of different types of welfare--we need the flexibility to run a program that addresses local weaknesses--and takes advantage of local strengths."

-- Illinois Director of Public Aid Gregory L. Coler
before the House Ways and Means Subcommittee
on Public Assistance and Unemployment
Compensation, February 27, 1986.

"The GAIN program (California's WIN-funded Greater Avenue for Independence program) is not intended to resolve all of the problems in our economy, and does not promise to create new job opportunities. GAIN is intended to make welfare recipients as competitive as possible for the job opportunities that do become available, in order to achieve the program's primary goal: the transition from welfare dependency to self sufficiency through employment."

-- California Director of Social Services Linda McMahon
before the House Ways and Means Subcommittee
on Public Assistance and Unemployment Compensation,
February 27, 1986.

"As you legislate in this area, I urge you to allow states the flexibility to run programs like ET (Massachusetts' Employment and Training-Choices program). They are both cost-effective and humane, and have proven that welfare recipients want to work, if only given the support--through training, day care, and provision for fair and adequate wages--to succeed."

-- Massachusetts Commissioner of Public Welfare
Charles M. Atkins before the House Ways and Means
Subcommittee on Public Assistance and
Unemployment Compensation, February 27, 1986.

"A nation-wide program of work security rather than public assistance should serve as the mainstay for employable persons who are available for the labor force, for persons who are potentially available and for the working poor whose earnings are below a federally-established minimum need. . . . NACo calls upon Congress to establish a Work Security program. . . . to provide employment opportunities at adequate wages. . . . job development and job creation services, skills training and work experience, and upgrading opportunities. . . . The Work Security program should be wholly financed by the federal government. . . . should be built around a decentralized, decategorized, comprehensive employment and training delivery system."

-- National Association of Counties, "Human Services:
Directions for the '80's."

"The National Conference of State Legislatures believes that the existing income security programs should be replaced by a more equitable and effective comprehensive assistance program. . . . (which) should (1) provide assistance to all needy households; (2) encourage a minimum level of assistance equivalent to the federal poverty line (3) discourage welfare dependency by providing for a strong employment and training component; and (4) consolidate all existing income security programs into the replacement program."

-- Policy Statement, National Conference of State Legislatures, on "Welfare Reform."

The Experts:

"Considerable innovation and activity have continued to occur in the WIN system as states have responded to the flexibility offered in OBRA. These changes are important because they indicate that even a relatively small and underfunded program like WIN can be used to bring about changes in large entitlement programs like AFDC. In the space of a few short years, WIN staff have taken on new roles and functions, redefined program goals and objectives, and brought a new sense of purpose to their program. The result is a reassessment of both the relationship between work and welfare, and the notion that welfare receipt should be a passive entitlement."

-- Barbara B. Blum, president, Manpower Demonstration Research Corporation, before the House Ways and Means Subcommittee on Public Assistance and Unemployment Compensation, February 27, 1986.

"Some work projects are demonstrating that they can enhance the employment and earnings of welfare women. . . . Projects such as these (in San Diego, Massachusetts and Maryland) offer encouraging evidence that they can help AFDC mothers reduce their economic dependency on welfare. . . ."

"Poverty among single female heads of families and their children is a serious and growing problem. While the needs of these families are many and varied, there is agreement that some response is required to help them reduce their economic dependence on AFDC and earn enough to become economically self-sufficient."

-- General Accounting Office, "Report to the Chairman, Subcommittee on Intergovernmental Relations and Human Resources, House Committee on Government Operations, 'Evidence is Insufficient to Support The Administration's Proposed Changes to AFDC Work Programs,'" (GAO/HRD 85-92) August 27, 1985.

The Public:

--A recent ABC-Washington Post poll found that nearly three-quarters of the public--72 percent--said that government is not doing enough to get people on public assistance back to work. Only 20 percent said government is doing enough to accomplish that goal. Eighty-nine per cent supported a program that would require able-bodied individuals on welfare to undergo job-training.

--A year ago a nationwide survey by the Los Angeles Times found that 71 percent of the respondents believe that the "best thing to do about poverty" is to "give poor people job training." Answers to another question indicated that a majority (63 per cent) believe that poor people "would rather earn their own living" than "stay on welfare" (25 per cent).

In the Media:

"What's needed is a long-term commitment to full-employment programs. Short-term programs--they're bound to fail. All the evaluations of job-training and manpower programs of the 1960s and 1970s were based on short-term expectations. If we are able to build in a long-term commitment and combine that with long-term training and education, we can overcome some of these problems."

-- Prof. William Julius Wilson, chairman of the sociology department at the University of Chicago, quoted in U.S. News & World Report, March 3, 1986.

"Research is beginning to show that well-designed job training and placement efforts do work--that once in a permanent job, the former welfare mother continues to work. But such success does not come cheap. . . . WIN-inspired programs can form a basis for progress in reducing dependency and bolstering the skills that can make the poor employable. . . . Human service professionals would welcome an opportunity to work with the administration both on a jobs program that would be effective and on the broader issue of national policies designed to break the poverty cycle for all citizens."

-- A. Sidney Johnson III, executive director of the American Public Welfare Association, in The Chicago Tribune, March 8, 1986.

"The states are serving as testing grounds for welfare reform on a basis that involves a delicate balancing act by liberals and conservatives. Job-focused institutional changes to reduce the stigma of welfare are the essence of the new approach. . . . it certainly bears close watching: it could be the real welfare reform."

-- Richard P. Nathan, deputy undersecretary for health, education and welfare in the Nixon Administration, in The Washington Post, April 10, 1986.

Editorials:

"If there is one myth that the Times research exploded, it is that there are undeserving poor who will not work. Most of the poor are women with children or the elderly or the infirm. Of the remaining poor, two-thirds work, and work hard--cleaning shrimp plants, making beds in hotels, picking up other peoples' garbage. Specific steps that the government could take to help lift some of the poor out of poverty or to cushion hardships for those who are still locked there include: Conducting more intensive experiments with 'workfare'--requiring welfare recipients to do community work in return for their benefits checks--as long as they are not structured in ways that punish people for being poor. . . . Encouraging corporations and local governments to provide reasonably priced child care. More subsidized day care would make entry-level jobs a reasonable alternative to a welfare check." Los Angeles Times, August 5, 1985.

"What's needed are politicians who will be forthright in acknowledging the problem in all of its painful, dangerous dimensions; who will admit that not every member of the underclass can be reached, but for many the chain can be broken; who will argue, with hard facts and figures, that providing the resources to break the chain is one of the smartest investments this nation's governments and businesses can make; and who will repeat, as often as necessary, that America can no longer afford this burden on its budgets and its conscience."

-- The Chicago Tribune, December 1, 1985.

"The most important discussion about welfare, however, should be reserved for ways to get recipients out of the system into jobs as quickly as possible, and permanently. . . . President Reagan has announced his intention to reform the welfare system. It's sorely needed. Welfare expenditures channeled into training programs like WEET (Maine's WIN-funded Welfare Employment, Education and Training Program)--emphasizing long-term employability--are a social investment with a payoff."

-- The Bangor (Me.) Daily News, March 21, 1986.

Harriet Jones "was able to get off welfare with the help of the Human Resources Development Agency, a small anti-poverty program whose sympathetic workers recognized in her a potential she couldn't see in herself. . . . Programs like HRDA's modest job-training efforts cannot by themselves solve these problems. But simply by making it possible for people like Harriet Jones to believe in themselves enough to try--to take that first step toward self-sufficiency--they can point the way toward more lasting solutions. They deserve the support of all who value the future of this state."

-- The Evening Sun (Baltimore), March 5, 1986.

"Yes, there is a welfare culture. Yet, it can have perilous effects on families. Yes, a decent--let alone self-interested--society would strive to promote people from welfare to work. . . ."

-- The New York Times, February 19, 1986.

"Helping welfare families support their families is surely the best way to cut both welfare costs and poverty in the long run. But any businessman will tell you that you can't expect a long-term return without up-front investment."

-- The Washington Post, July 29, 1985.

WIN GRANTS TO STATES

	FY 85	FY 86*
National Total	258,099,200	202,884,000
Alabama	2,327,898	1,877,239
Alaska	923,767	537,410
Arizona	1,805,973	1,427,026
Arkansas	1,481,344	1,170,514
California	35,258,877	27,791,356
Colorado	4,958,003	3,002,891
Connecticut	3,761,000	2,944,908
Delaware	872,831	689,685
District of Columbia	2,568,173	1,853,071
Florida	3,879,456	3,065,429
Georgia	4,269,059	3,345,981
Guam	347,882	150,760
Hawaii	1,353,943	1,190,717
Idaho	2,349,935	1,331,240
Illinois	12,691,195	10,028,199
Indiana	3,336,777	2,636,621
Iowa	2,770,818	2,189,416
Kansas	1,924,747	1,492,760
Kentucky	2,327,010	2,001,190
Louisiana	1,906,731	1,485,183
Maine	1,444,438	1,141,352
Maryland	4,856,518	3,837,474
Massachusetts	8,463,784	6,687,827
Michigan	18,503,587	14,620,975
Minnesota	5,159,001	4,071,713
Mississippi	1,789,548	1,544,587
Missouri	3,657,789	2,879,342
Montana	995,982	933,601
Nebraska	887,460	701,244
Nevada	744,789	589,638
New Hampshire	635,129	419,166
New Jersey	9,808,991	7,750,768
New Mexico	1,079,717	845,286
New York	22,185,463	17,534,185

	FY 85	FY 86*
North Carolina	4,103,432	2,881,185
North Dakota	718,400	454,396
Ohio	14,509,991	11,296,692
Oklahoma	1,545,221	1,220,987
Oregon	7,138,420	5,640,564
Pennsylvania	11,654,971	9,209,406
Puerto Rico	1,575,636	1,240,311
Rhode Island	1,320,866	1,152,571
South Carolina	1,986,665	1,455,065
South Dakota	1,101,448	870,331
Tennessee	2,640,210	1,990,989
Texas	5,308,214	4,194,390
Utah	2,795,335	3,032,130
Vermont	1,972,308	1,502,487
Virgin Islands	287,348	206,467
Virginia	3,680,904	2,908,539
Washington	10,269,797	8,742,137
West Virginia	3,533,726	2,792,244
Wisconsin	10,111,167	7,989,539
Wyoming	517,526	316,755

* FY 86 funding levels reflect \$10 million Gramm-Rudman cut.

WIN
FY 85 PROFILE OF STATE PERFORMANCE

	New Registrants	Placements
Alabama	7,145	2,806
Alaska	1,959	698
Arizona (D)*	9,030	3,285
Arkansas (D)	4,852	1,073
California (D)	37,185	9,510
Colorado*	8,450 (est)	4,473
Connecticut (D)	11,449	4,472
Delaware (D)*	3,676	259
District of Columbia	15,799	1,931
Florida (D)*	17,871	8,193
Georgia (D)	2,150	785
Idaho	2,973	1,502
Illinois (D)*	37,430	23,847
Indiana (D)	14,498	3,498
Iowa (D)*	6,305 (est)	2,114
Kansas	6,480	1,865
Kentucky	11,948	2,562
Louisiana	11,069	1,886
Maine (D)	2,771	1,057
Maryland (D)	39,269	3,898
Massachusetts (D)*	29,931	11,083
Michigan (D)*	106,083	24,845
Minnesota	18,311	5,272
Mississippi	5,626	1,440
Missouri	11,195	2,880
Montana	3,314	1,046
Nebraska (D)	10,044	2,138
Nevada	2,074	790
New Hampshire	1,719	798
New Jersey (D)	93,013	7,155
New Mexico	3,395	1,293
New York (D)	44,605	8,513
North Carolina	17,621	5,969
North Dakota	1,855	619

	New Registrants	Placements
Ohio	71,110	20,350
Oklahoma (D)	20,962	8,419
Oregon (D)	20,451	8,471
Pennsylvania (D)*	N/A	33,271
Rhode Island	3,856	1,559
South Carolina	6,671	2,183
South Dakota (D) *	2,053	899
Tennessee (D)	13,974	3,153
Texas (D) *	56,315	8,844
Utah	5,499	2,075
Vermont	3,625	2,101
Virginia (D)*	20,091	8,842
Washington	21,664	8,102
West Virginia (D)	21,959	4,360
Wisconsin (D)*	24,400	10,632
Wyoming	2,100	799

New Registrants--Number of AFDC recipients newly registered during the fiscal year. This figure does not represent total number of registered recipients.

Placements--Number of individuals who entered unsubsidized employment expected to last 30 days or more (For WIN states figure reported includes both full and part-time employment; for WIN demonstrations only full-time employment is reported.)

Data supplied by the Department of Labor except where asterisk * appears. Where asterisk appears data was provided by the state.

(D) -- indicates that the state operates a WIN demonstration program instead of a regular WIN program.

(est) -- estimate provided by state.

(N/A) -- not available

99TH CONGRESS
2D SESSION

H. R. 4929

To amend title IV of the Social Security Act to improve the AFDC program by requiring each State to establish a single comprehensive work program with a centralized intake and registration process, and providing for the participation of each AFDC applicant or recipient (through such comprehensive program) in an employment or training program which has been selected by the State on the basis of its appropriateness for that particular applicant or recipient.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 1986

Mr. LEVIN of Michigan (for himself, Mrs. KENNELLY, Mr. RANGEL, Mr. GERHARDT, Mr. MILLER of California, Mr. MOAKLEY, and Mr. FRANK) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title IV of the Social Security Act to improve the AFDC program by requiring each State to establish a single comprehensive work program with a centralized intake and registration process, and providing for the participation of each AFDC applicant or recipient (through such comprehensive program) in an employment or training program which has been selected by the State on the basis of its appropriateness for that particular applicant or recipient.

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Business - Darned

OMNIBUS JOB TRAINING AND RETRAINING ACT OF 1986
H.R. 5720

TITLE I - Dislocated Workers

Purpose: to provide a more adequate income maintenance system for the long-term unemployed and to create more effective linkages between unemployment compensation, training and other adjustment assistance.

Subtitle A - Extended Benefit Reform p.2. This subtitle incorporates H.R.4469, (Pease et al.), which reforms the Extended Benefit (EB) federal/state unemployment compensation program. The bill makes two changes to H.R.4469. First, the so called "trigger numbers" have been lowered so as to make the program accessible to more states. In the bill, 18 state would be eligible today for EB (AL, AK, AR, DC, IL, KY, LA, MS, NM, OH, OK, OR, TN, TX, WA, WV, WY), instead of two (AL, LA) under the current program. Secondly a provision has been added to allow dislocated workers in EB states to collect up to 30 weeks of EB, if they agree to enter training or other adjustment assistance programs. Other workers would continue to be eligible for the number of EB weeks available in their state.

Subtitle B - Worker Retraining and Adjustment Trust Fund p.16. This subtitle creates a trust fund to pay for training assistance under the JTPA Title III program. The trust fund is paid into by an assessment of up to 1% on all imports and by the permanent extension of the current special federal unemployment tax of .2%.

Subtitle C - Advance Notice and Adjustment Assistance p.21. This subtitle provides for advanced notice of plant closings and mass layoffs in order to provide employees time to begin training and other adjustment activities and to prepare for a spell of unemployment. It also creates adjustment assistance teams which would go into plants and communities to help in the event of mass dislocations.

Subtitle D - Short Time Compensation p.26. This subtitle clarifies existing law authorizing and encouraging "work sharing," a practice by which all employees agree to reduce their hours instead of laying off a few workers. The unemployment benefits that would have been paid are divided up as a partial compensation for the reduction in hours.

Subtitle E - Student Aid for Dislocated Workers p.26. This subtitle eases the standards for the Pell grant and GSL student aid programs to make it easier for dislocated workers to apply.

Subtitle F - Demonstration Projects and Reports p.29. This subtitle contains 7 demonstration projects and studies including: a substate extended benefit demonstration to assist pockets of unemployment below the state level; a demonstration program to improve training for individuals receiving regular state unemployment compensation; and an unemployment benefit cash-out study. These are modeled respectively on provisions in H.R.4469 (Pease), H.R.1947 (Kennelly), and H.R.1690 (Wyden).

TITLE II - Welfare Reform p.62

This title incorporates H.R.4929, (Levin et al.), the Work Opportunities and Retraining Compact (WORC). This legislation requires states to educate, train and find jobs for those collecting AFDC. It mandates registration, counseling and assignment to training for welfare recipients. Those with children under age 6 are encouraged to participate. Costs would be shared, 70% federal, 30% state. Performance standards will measure the success of states.

TITLE III - Youth p.81

This title amends JTPA Title II to create a new Part C - The Community Youth Learn and Earn Program. It authorizes \$1 billion annually for the program for 5 years. These funds would be targeted to those states and areas within each state that have the highest youth unemployment problems. The funds would be used by the Private Industry Councils (PIC) to: (1) reduce the dropout rate (2) increase school attendance (3) increase high school graduation rates (4) increase literacy and achievement (5) increase employment.

The title also authorizes three new initiatives to achieve the above goals: (1) Stay in School Program (2) Youth Career Service (3) Community Youth Services Corp.

TITLE IV - Illiteracy p.87

This title authorizes a "National Campaign to End Illiteracy." The bill provides for a two step program. In the first year, funded at \$50 million, the Secretary of Education would establish a national standard of literacy and would then conduct a national survey, in conjunction with the states, to determine the number of individuals who fall below this standard. Each state would then submit a comprehensive plan to eliminate or substantially reduce illiteracy over a seven year period.

In the second phase, funds, not specified by envisioned to require \$400 million a year, would be distributed to the states, under formula with a 50:50 state match, to carry out this campaign. Performance standards would provide incentives and penalties for states that exceeded or failed to meet their goals.

TITLE V - Preparing the Workforce p.101

This title would (1) permanently exempt employer paid education fringe benefits from taxation, (2) incorporate the Individual Training Account (ITA) proposal, H.R.26 (Durbin et al.) and (3) provide continuing education grants to institutions of higher education to help them reach non-traditional students, both on and off campus.

TITLE VI - National Job Training Council p.158

This title creates a cabinet level council to examine national job training needs. It would replace the National Commission on Employment Policy.

CURRENT LAW VS. WORDC

Current Law	WORDC
<u>AUTHORITY</u>	<p>Social Security Act Four Programs</p> <p>IVA -- Community Work Experience -- Work Supplementation</p> <p>IVC -- WIN -- WIN Demonstrations</p>
<u>ADMINISTRATION</u>	<p>Social Security Act One Program</p> <p>IV WORDC</p> <p>Consolidated Under: --Secretary of HHS</p> <p>Consolidated Under: --Welfare Department</p>
Federal	<p>Divided Between: --Secretary of HHS --Secretary of Labor</p>
State	<p>Divided Between: --Welfare Department --Employment Service</p>
<u>PARTICIPATION</u>	<p>All required AFDC recipients register</p> <p>In addition, registrant must receive work related counseling and be referred to a work or training activity.</p>
<u>PROGRAM ACTIVITIES</u>	<p>Education & Training: Job Search, on-the-job training, work experience, workfare and grant diversion</p> <p>Support Services: State Option</p> <p>Same, plus activities authorized under JTPA, Vocational Education, Employment Service and other employment programs</p> <p>Child Care & Transportation and other needed services must be provided.</p>
<u>FUNDING</u>	<p>IVA 50% federal 50% state</p> <p>IVC 90% federal 10% state</p> <p>Education and training 70% federal 30% state</p> <p>Administrative and Support Services 50% federal 50% state</p>
<u>INCENTIVES</u>	<p>None</p> <p>5% bonus for states that meet or exceed performance standards.</p>
<u>PERFORMANCE STANDARDS:</u>	<p>None</p> <p>Measure outcome of state programs, including placement rates, wages, job retention, reduction in welfare benefits and caseloads, education improvements and provision of health benefits.</p>