



Catholic
Charities
USA

March 17, 1994

Dear Member of the Working Group on Welfare Reform, Family Support and Independence:

Catholic Charities USA has made welfare reform its primary legislative focus for 1994. Enclosed you will find our position paper, *Transforming the Welfare System*, and a recent issue of *Charities USA* which focuses on this important and timely issue.

In *Transforming the Welfare System*, we recommend improving the Aid to Families with Dependent Children (AFDC) program and recommend taking groups out of AFDC. We must move from maintaining families at a subsistence level to tailored investing in families. Investments in families could take many forms: technical or job training, substance abuse treatment, education, purchase of tools, or whatever might be appropriate to help individuals become productive.

Groups that should be taken out of AFDC include children who have children and refugees. Children who have children should receive comprehensive services, including parenting training and preparation for work under a new program designed for their specific needs. Refugees should be provided an alternative system of aid to help them more quickly become productive citizens contributing to our national well-being.

In *Charities USA* you will find articles on welfare myths, a story of a young woman who was on welfare, a listing of resources, and much more.

Catholic Charities USA is the nation's largest private network of voluntary social service agencies. More than 1,400 local agencies with over 230,000 staff members and volunteers serve more than 14 million people in need - mostly families and children - each year. In 1992, Catholic Charities agencies across the United States spent more than \$1.8 billion of combined public, private, and church resources in their efforts to reduce poverty, support families, and empower communities.

Catholic Charities agencies provide direct services to people in need, with an emphasis on enabling them to achieve self-sufficiency. Agency staff members help people overcome addiction as well as give support to homeless families who have nowhere else to go.

I hope that you will turn to Catholic Charities USA as a resource when you consider welfare reform. For more information and for extra copies of these documents call Lisa M. Carr, Legislative Liaison at (703) 549-1390 extension 30.

Sincerely,

Fred Kammer, SJ
President

Enclosures

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President
Rev. Fred Kammer, SJ

1731 King
Street •
Suite 200 •
Alexandria
Virginia
22314 •
Phone:
(703) 549-1390
Fax:
(703) 549-1656

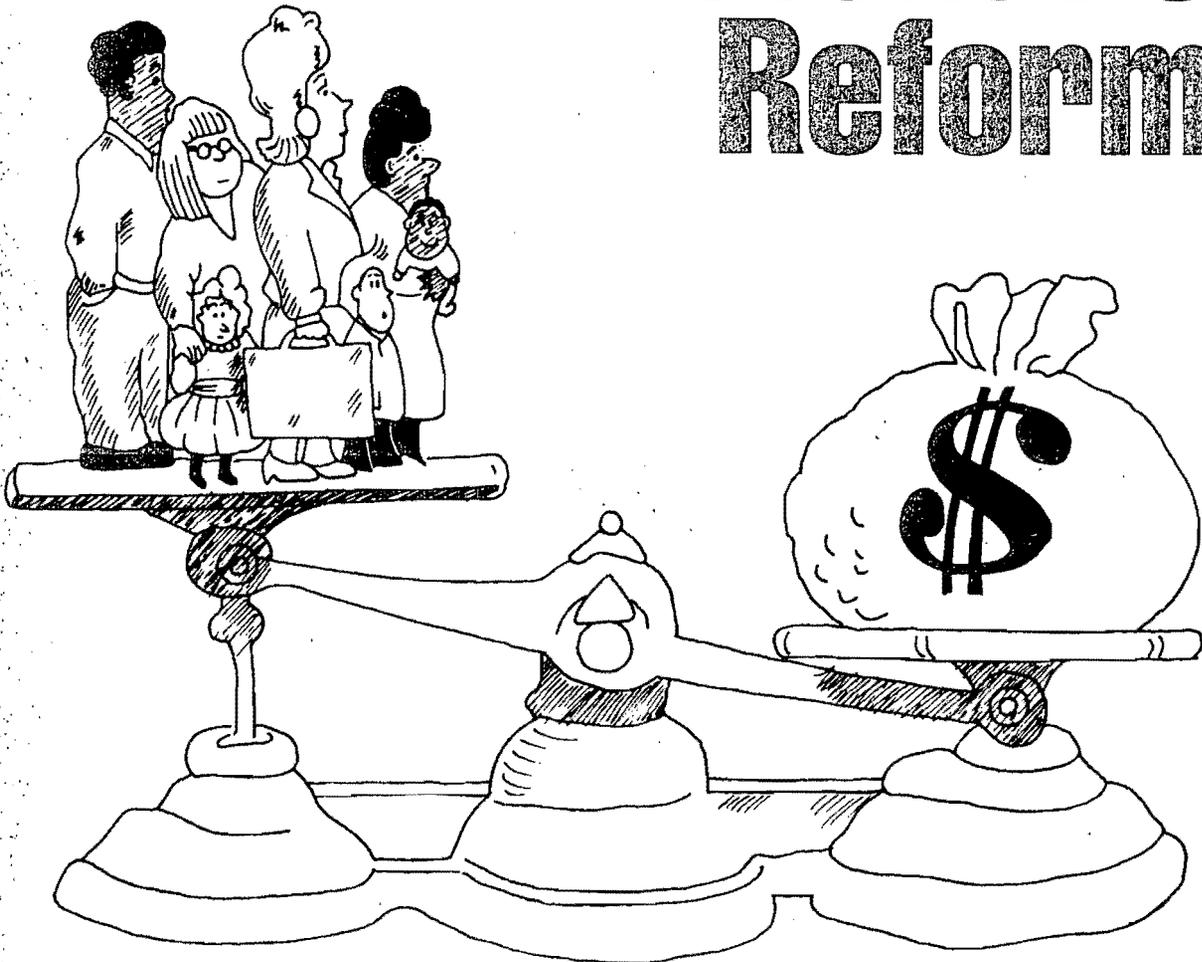
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USA

Welfare Reform



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Transforming the Welfare System

*A position paper of
Catholic Charities USA*



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Washington, D.C. 20201

MEMORANDUM

DRAFT - For Discussion Only

December 13, 1993

TO: David Ellwood
Mary Jo Bane
Bruce Reed
Co-Chairs, Welfare Reform Working Group

FR: Fernando M. Torres-Gil
Assistant Secretary for Aging

A handwritten signature in black ink, appearing to read "Fernando M. Torres-Gil", written over the typed name.

RE: Revised Draft Discussion Paper

I am much impressed with the tone and over-arching goals of this revised document. I feel we are closer to reaching a balance of what we should require and what we should provide. The introduction section outlines the President's broader values and makes our intention to primarily focus on the AFDC system clear. I support the general direction of this document and offer the following suggestions for your consideration:

- While the introduction lays out the President's guiding principles articulately, I would like to see a thematic tie made with other domestic agenda items. The President has consistently framed many of this country's problems and solutions in the larger context of needing to once again provide a general sense of security. I would like to see welfare reform acknowledged as only one effort to achieve this goal; health care reform, crime and violence prevention and general economic security can all be linked and sold to the American public as equally important features of a true "safety net."
- I would encourage careful attention be given to semantics and word choices. (e.g. born to unwed "parents" as opposed to unwed "mothers") We must be very careful that our words, even written with the best intentions, do not perpetuate negative or stigmatizing practices.
- I am quite comfortable with the limited exemptions and extensions area. Given the flexibility and services to create the transitional system we all want to see, I think we can use exemptions and extensions fairly and sparingly.

● While I can conceptually support the conservative tone of requiring minor mothers to live at home and fully support the general theme of family responsibility, the issue does raise some critical questions I believe must be addressed. I believe we must be very careful that we are not unduly burdening females and their families. As acknowledged in the section addressing child support enforcement, males have a responsibility as well. If we require minor mothers to live at home, should we not require the same of minor males? If a minor mother's family income is counted toward determining AFDC benefits, should we not require the same of a minor male's family? I am concerned that this issue may be perceived as perpetuating the punitive actions that already plague our welfare system.

● Mentoring by older welfare mothers is a new and dynamic concept. Due to the intergenerational pattern of welfare, we are now seeing welfare recipients in their 30's and 40's who are grandmothers! These women may or may not have parenting skills, let alone grandparenting skills. However, many of these women, given training and attention, could foster unique and valuable relations with young women in their communities. Perhaps a demonstration project could be established to determine the effects of this type of model.

● The issue of providing adequate and effective services is key to the success of this plan. We cannot overlook the critical roles that service providers, particularly social workers, will play in this process. I commend the group for establishing the idea of a social contract and the acknowledgment of case management as an effective service delivery system. However, we will not be able to get around the issue of the bureaucratic "culture" that currently exists, particularly in the public assistance offices. Changing this culture will require placing a heavy responsibility on professionals such as social workers. Social work is the proper locus of our important case management/social contract approach. Yet, social work as a discipline and practice may not be fully able to meet these challenges unless their education and training is once again oriented toward programs of work and responsibility as opposed to eligibility and clinical counseling.

We should consider demonstration projects that require schools of Social Work to provide incentives to students to enter the area of public welfare services. Curriculum changes that re-socialize social work students and provide appropriate education and training for this work may be necessary.

Demonstration projects must also involve re-socializing and retraining those who already work in the system because

ultimately, they will be there after welfare reform has passed. Unless we give them an opportunity to participate in this process, it will be "business as usual" in the local welfare offices. I should note that programs such as the Federal Executive Institute provides retraining for federal managers; a similar idea for welfare case workers should be considered. If we are going to transform the welfare bureaucracy, we have to give workers as well as clients opportunities to excel.

- I fully endorse the idea of maximum flexibility for states and localities to implement this plan as well as the effective use of demonstration projects across the country. A phase-in strategy is an idea I also support.

- I support the advanced payment of the EITC.

- I agree with a demonstration project to establish a local Worker Support Office. In designing this option, we must focus on the need for well-trained, multi-disciplinary staffs. Earlier comments with respect to professionals such as social workers certainly apply.

- I do agree that parents of young children should participate in job-related experiences, but we should also respect and foster their need to be close to their children. Suggestions of training mothers to work in day care centers is a good idea; I also would like to see support for training and allowing mothers to operate day care centers from their homes or in co-op situations in their immediate neighborhoods. This idea could still meet our goals of work and responsibility but it would also allow mothers to stay with their children and possibly avoid problems such as access to adequate transportation. While I acknowledge that quality child care will be a costly endeavor, I still encourage the group to look at innovative ideas to meet the goals of this welfare reform component. Countries such as France can give us some ideas for innovative approaches.

Creation of other part-time work opportunities in neighborhoods, such as working with children and the elderly, is another option.

- I am pleased to see that you are studying the question of participation requirements for the enhanced JOBS participation component as it relates to grandparents and other relatives caring for dependent children. Please keep me apprised of the progress of this study.

- Recognizing the long history older Americans have in the volunteer sector, I see many positive possibilities for

grandparents and other older caretakers to participate in the National Service initiative.

- I fully support the two year time limit, providing we create a flexible and fair system of exemptions and extensions. I am comfortable with the thrust of the idea, specifically the section which explains that when a state fails to provide the services and opportunities necessary, the time will not be counted against the recipient. I think this is a specific area which brings us closer to achieving the balance necessary to sell this plan.

- I absolutely support post-secondary education as an option for recipients. Linking that option with work/study is acceptable.

- I support the major theme around the issue of child support enforcement. I agree with a stronger effort being made to establish paternity when such an act is not harmful for the mother or the child. I very much appreciate the effort being made to find options for fathers, particularly for those who are low-skilled or have little education, so that they do not build up large amounts of arrearages and wind up in jail. Further criminalizing of a non-custodial parent who wants to contribute but is unable to do so due to a lack of jobs or skills does little to either collect any money or promote the family. I am encouraged by the options that non-custodial parents may receive training and support.

- I do not see the feasibility of child support assurance either economically or politically. While I sympathize with the sentiments behind the idea, I think it may be perceived as a disincentive to participate in some of the other innovative programs being established. We will have a hard time selling this idea to the American public. I believe our best efforts should be spent focusing on improving the child support enforcement system. However, the notion of advance payments where there is a likelihood of collecting is a good idea.

In closing, I look forward to working together as we continue to develop this plan. Again, I commend you for facilitating this process and for keeping it open. Please contact me if you desire any further discussion on the ideas presented in this memo.

PERSPECTIVE #4: Medicaid/AFDC Social Worker

Mrs. Gudrun Arnold, Director of the Montgomery County Board of Assistance

POTUS introduces Mrs. Arnold, a social worker practicing in Pennsylvania for 30 years

- I'm interested to hear from the next panelist, Mrs. Arnold, who has been a social worker here in Pennsylvania for the 30 years. Right now the health care entitlement program for the poor, Medicaid, is out of control. Medicaid spending is busting state and federal budgets and siphoning money away from other needed programs like education and crime-fighting. And until we have a universal health care system in this country, we won't be able to reform our welfare system by making work pay again. (You may want to tell Marie Costos-Weber story).

Mrs. Arnold:

- the importance of universal coverage
- right now women on welfare with kids have a disincentive to get off welfare; they lose health care for their kids
- clients continually express fear of taking job because they lose health care and day care benefits
- lack of access of welfare recipients leads them to seek care in most expensive settings, like the emergency room, because they have no relationship with a regular doctor
- **what about your plan will allow these people to go back to work without fearing they won't get the health care they need?**

POTUS responds:

Overall Message: Welfare reform is a critical part of entitlement reform; health care reform is the first step to ending the welfare cycle and making work pay.

- When I was Governor of Arkansas and headed up the NGA's welfare reform effort, we realized that one of the main reason people stayed on welfare was because they couldn't afford to lose Medicaid coverage-- the health benefits that come with AFDC.

- Last week Hillary and I met with a local church group in the Oval Office. One of the women, a woman named Ruth Jones, volunteers as a patient advocate at her local hospital. She told us that earlier that week a co-worker at the hospital, a nurse's aide, came up to her and said that she felt really good to be working, and she liked her job at the hospital, but that now she was off welfare, she no longer got sitter money, and she no longer got health care for she and her kids.
- There's something wrong with a system that says stay on welfare, you'll get full coverage for health care. Go to work, and you better pray your kids don't get sick.
- Welfare reform is one of the main goals of our administration, and has already gotten underway with an important change to the tax code we made as part of the budget agreement, the Earned Income Tax Credit.
- The next step has got to be a guarantee that ever job comes with the promise of health coverage. When we begin to make work pay again, we'll see that the welfare entitlement will take less of a budget chunk, and that future Medicaid spending will come way down as well.

POTUS turns to SHALALA, who feels very strongly about the welfare reform issue and has been part of the Welfare Reform Task Force looking more closely at this issue.

[SHALALA talks about what the Welfare Reform Task Force is finding, and how important it is that we achieve health care reform to help us promote the importance and value of work]

POTUS calls on WOFFORD to lend his perspective as former health of the Pennsylvania Labor Board (ck).



Living At The Bottom: An Analysis Of AFDC Benefit Levels

July 1993

Center on Social Welfare Policy and Law

Publication No. 210

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CENTER ON SOCIAL WELFARE POLICY AND LAW

275 Seventh Avenue, Sixth Floor · New York, NY 10001-6708

Tel: 212 633-6967 · Fax: 212 633-6371

January 28, 1994

Bruce Reed
Deputy Asst. to the President for Domestic Policy
Old Exec. Office Bldg., Rm. 216
Washington, D.C. 20500

Dear Mr. Reed:

We are writing as you complete your recommendations on welfare reform to urge you to address a most critical issue, the utter inadequacy of basic income support for needy families.

The levels of support given to nine million poor children and their parents through the Aid to Families with Dependent Children (AFDC) program have fallen precipitously because of cutbacks by many states and because over many years they have not been adjusted for inflation. The extremely low levels of benefits set by the state legislatures means continual crisis for families. The result is frequent homelessness, hunger, family break-up and other crises that profoundly harm families, undermine their stability, and limit their ability to take advantage of education, training, and employment opportunities.

Yet, with all the publicity given to welfare reform, the low level of current income supports for the poor has been a nearly invisible issue. We urge that this be addressed explicitly in your recommendations to the President. Our enclosed publication authored by Adele Blong and Barbara Leyser, *Living at the Bottom: An Analysis of AFDC Benefit Levels*, provides ample evidence of the initial need to address the adequacy of benefits for those now receiving AFDC, and those who will be receiving benefits under whatever form of transitional assistance might be developed.

Sincerely,



Henry A. Freedman
Executive Director

Encl.