

OFFICE OF INTERGOVERNMENTAL AFFAIRS  
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200 Independence Avenue, SW  
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WR-DGA

F A X C O V E R S H E E T

DATE:

TO: Bruce Reed

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FROM: John Monahan  
Director

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RE:

CC:

Number of pages including cover sheet: 3

Message:

Per our discussion

## TALKING POINTS FOR DEMOCRATIC GOVERNORS REGARDING WELFARE AND MEDICAID REFORM

o Democratic Governors support the bipartisan proposals to reform Medicaid and Welfare that were adopted unanimously at the National Governors' Association (NGA) meeting in February, 1996, and remain committed to working with the bipartisan leadership of Congress and the Administration to enact those proposals.

### Republican Medicaid/Welfare Plans Now In Congress

o Democratic governors vigorously support President Clinton's continuing efforts to develop bipartisan plans to balance the budget and to reform welfare. They are disappointed that the Republican leadership does not appear serious about passing a balanced budget or welfare reform. As chief executives who on the front lines of the challenges facing America, they know that the welfare system is broken and that the deficit must be cut without destroying Medicare, Medicaid, education, and the environment.

o After February's NGA meeting, Democratic governors hoped to work with Republican governors and the bipartisan leadership on Capitol Hill to craft welfare and Medicaid proposals that would reflect the bipartisan agreement reached by the governors. Instead, the Republican Congressional leadership did not include Democratic governors in drafting the proposals before Congress.

o Despite press reports and statements, let us be clear: the Medicaid and welfare proposals currently before Congress do not reflect the agreement reached unanimously by governors of both parties at last February's meeting.

### Medicaid

o Regarding Medicaid, the House and Senate Republican Medicaid proposals are far from the NGA agreement because the GOP block grant financing (1) violates the basic principle of the NGA agreement that federal funds should follow the people served by the program and (2) undermines the guarantee of a health care safety net in many critical ways, such as unrestricted cost sharing for beneficiaries.

o Democratic governors continue to believe that balancing the budget is a national priority and that Medicaid savings can make a contribution to that goal. However, such Medicaid reform should maintain a guarantee to a meaningful benefit package for vulnerable Americans, provide states with long-needed flexibility to run their programs more effectively, and protect state taxpayers from economic downturns or unexpected demographic changes.

## Welfare Reform

o Regarding welfare, the Republican proposals are much closer to the mark of the NGA proposal, and needed welfare reform should not be held hostage to a Republican legislative strategy of linking Medicaid and welfare reform to score political points. Governors on a bipartisan basis have never agreed to linking welfare and Medicaid reform.

o Democratic governors share President Clinton's conviction that welfare reform is first and foremost about work. That means providing adequate child care to enable recipients to leave welfare for work; guaranteeing health coverage for poor families; providing states with sufficient resources and incentives to implement work programs; requiring recipients to sign personal responsibility agreements committing them to work and responsibility; collecting child support from deadbeat dads; and protecting state taxpayers during economic downturns or demographic changes.

o Democratic governors are committed to working with bipartisan groups of Members and Senators to make improvements to the current Republican welfare proposal to better reflect the NGA agreement reached last February. In particular, Democratic governors want (1) more effective work requirements, (2) elimination of unnecessarily deep cuts in Food Stamps, (3) a more responsive contingency fund for states in times of economic downturn, (4) restoration of funding for the Social Services Block Grant, and (5) removal of federal restrictions on states' provision of non-cash assistance for poor families.

## President Clinton's Leadership Promoting State Welfare Reform

o While Congress plays politics with welfare reform, Democratic governors are grateful that President Clinton has granted 67 waivers to 40 states, freeing them to implement their own reform demonstrations now covering more than 75% of all welfare recipients in the country. Under President Clinton's leadership, thirty states are requiring work, twenty-seven states are time-limiting assistance, thirty-five states are changing welfare rules to make work pay, twenty-one states are strengthening child support enforcement, and thirty-two states are promoting parental responsibility.

o Democratic governors also welcome the President's use of his executive authority to work with states to ensure that minor mothers receiving welfare checks live at home and to improve interstate child support enforcement. Since 1992, state and federal efforts have raised child support enforcement collections by \$3 billion, an increase of 40%.

5/28/96  
2:55 pm

MR-Dem Jones

In February of this year, all of the Governors endorsed proposals to reform the Nation's Medicaid and welfare systems. It appears that the Republican leadership has rejected the bipartisan process and proposals put forth by the Nation's Governors, in favor of a partisan process that undermines the hope for reform in either program.

As stalwart participants in bipartisan discussions, Democratic Governors are deeply concerned about the new Medicaid reform proposal and are disappointed in the revisions made to the welfare proposal. For several months, the Republican leadership has promoted the new reform proposals as the unanimous, bipartisan National Governors' Association agreements on Medicaid and welfare. In fact, your <sup>proposals</sup> ~~proposals~~ are far from the NGA agreement and appear to be more like the proposal vetoed by the President last year and rejected by the governors at our winter meeting. In addition, the welfare alternative rejects the NGA proposals in a number of important areas.

As you know, a bipartisan group of governors has spent hours negotiating unified positions on Medicaid. Democratic governors undertook this major task because we saw hopes for reform and a balanced budget fade as partisan politics became the rule instead of constructive policy. It was our overriding hope that the bipartisan Governors' proposal would indeed jump-start efforts to balance the budget while achieving meaningful Medicaid reform.

Unfortunately, the move was backwards. In our view, this "Restructuring Medicaid" plan is a very limited health insurance policy for some of our country's most fragile populations. We are sure if you tried to sell this plan within today's health care market, there would be no takers. There is no absolute guarantee of coverage for many of the populations who are covered today.

The "Medicaid Restructuring Act" would seriously undermine the guarantee to coverage for the most defenseless of groups: the elderly, pregnant women, the disabled and children. The NGA agreement was very clear on this principle: "The basic health care needs of the nation's most vulnerable populations must be guaranteed." This latest bill rejects that principle by encouraging states to charge Medicaid patients for an unlimited percent of their health care costs. These co-payments and other charges would effectively deny coverage by pricing even "guaranteed" individuals out of the program.

The formula for distributing the funds under the bill is even more troubling. As you are well aware, this is the main artery of the Governors' package. Governors spent hours crafting a compromise that has dollars following individuals and that maintains the Federal government as our partner. We rejected other formulas proposed by Democrats and Republicans, and specifically rejected the MediGrant formula. And, while you have used many of the terms in our agreement, the essential elements of the "Restructuring" formula are the same as the vetoed proposal. In fact, according to our early calculations, 96% of the funding under this new formula is distributed virtually in the same manner as your earlier bills. You have created a block grant for this program with essentially the same language and parameters of the vetoed bill - a block grant that denies a safety net for our most vulnerable citizens.

As for welfare, the Republican alternative includes several of the provisions of the NGA agreement on welfare, but rejects some critical components and includes additional troubling program cuts. The Republican alternative rejects the NGA Food Stamp recommendations in favor of over \$1 billion in additional cuts in the Food Stamp program -- cuts that disproportionately affect the lowest income households. In addition, the Republican alternative rejects the fair and realistic work measures recommended by the NGA in favor of the untenable work requirements included in HR 4. One of the most troubling cost savings provisions in the Republican alternative, however, is the proposed 20 percent reduction in the Social Services Block Grant. A cut of this magnitude will undoubtedly undercut one of the Governors' top priorities in welfare reform -- adequate resources for child care. Virtually all states use Title XX social services funds for child care for low income families.

Reforms of the Medicaid and welfare systems continue to be top priorities for Democratic Governors. Let us be clear, however, that although we agree that welfare and Medicaid are inextricably linked in practice, we cannot agree to a legislative strategy that insists that they be united. Even with our outstanding concerns with the current Republican welfare alternative, we firmly believe that if partisan politics could be put aside, a bipartisan welfare bill could be agreed upon in little time. We are within striking distance on welfare reform and we cannot agree to a partisan strategy that holds welfare hostage.

*They don't have a Medicaid reform bill yet.*

At the same time we are no less committed to reform of the Medicaid program. We believe that proposals such as the Castle/Tanner and Breaux/Chafee packages do reflect bipartisan efforts that are far truer to the bipartisan Governors' proposal. If the Republican leadership is serious about Medicaid reform, then bipartisan discussions should begin immediately.

We stand ready to work for constructive reform in the Medicaid and welfare programs.

Sincerely,

Bob Miller

Roy Romer

Lawton Chiles

Tom Carper



WR-DGA  
~~WR-DGA~~

(anno)

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Thomas R. Carper  
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Liz Ryan  
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J. Jonathon Jones  
Deputy Director

TO:

Bruce Reed / Jeremy Ben-Ami

FROM:

Liz Ryan, Office of the Governor  
State of Delaware

DATE:

3/24/95

# of Pages:

2 (including cover page)

NOTE:

- Carper activities  
on welfare this week -  
- Republican governors  
letters

Thanks for all your  
help! Liz

Please note: The pages comprising this facsimile transmission contain confidential information from the Washington Office of Governor Tom Carper. This information is intended solely for use by the individual entity names as the recipient thereof. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this transmission is prohibited. If you have received this transmission in error, please notify us by telephone immediately so we may arrange to retrieve this transmission at no cost to you.

File: Engler

Wash. Times, 3-23-95

# Welfare reform: a question of hope

By John Engler

This week Republicans in the House of Representatives have introduced a landmark piece of legislation that will completely change the welfare system. We have an unprecedented opportunity to save the lives of millions of children who would otherwise be trapped in a system that condemns them to a life of poverty. But as a governor who has worked to change welfare in my state, I can tell you it won't be easy.

The attacks we have heard in recent weeks from those who would defend the failed status quo have an all-too-familiar ring to them. I, too, was labeled "mean-spirited" and "callous" when I sought to reduce welfare rolls in Michigan. Headlines screamed: "Engler's victory would mean tough times for the needy," and "State abandons the poor." One prominent Democrat official in our state went so far as to suggest that our reforms would incite inter-city riots. My approval ratings sank to a dismal 19 percent.

Change is never easy. But over the past two years, as the reforms we proposed have begun to take effect, we have seen positive results. The dire predictions of doom and gloom have proven false, and we are restoring genuine hope to people's lives. We are helping them achieve independence and rediscover the dignity of work. As one welfare recipient who went to work as a result of our reforms told me, "It did not take me long to realize that work is liberation." Today, one out of four welfare recipients in Michigan is working, compared with fewer than one in ten nationwide. As a result, nearly 55,000 cases have been closed due to income from employment, and welfare caseloads have fallen to their lowest level since 1988. In addition, we have saved Michigan taxpayers more than \$100 million.

What we have done in Michigan is but one example of successful welfare-reform efforts taking place

John Engler is governor of Michigan and chairman of the Republican Governors Task Force on Welfare Reform.

in states across the country. Wisconsin Gov. Tommy Thompson, who has pioneered a number of innovative reforms, has seen welfare caseloads in his state shrink by 25 percent, compared to a 35 percent increase nationwide. Mr. Thompson is so convinced he can move every welfare recipient into a job that this year he announced the welfare division of the Wisconsin Social Services Department will be moved to a new Depart-

*We have an unprecedented opportunity to save the lives of millions of children who would otherwise be trapped in a system that condemns them to a life of poverty. But as a governor who has worked to change welfare in my state, I can tell you it won't be easy.*

ment of Industry, Labor and Job Development. Mr. Thompson said in his State of the State address in January, "Welfare will no longer exist. It will no longer be part of the vocabulary. Welfare is going to be a jobs program."

In the last few months, Governors Bill Weld of Massachusetts and George Allen of Virginia have passed sweeping welfare reform legislation in their states, and more is coming in states like Georgia, Illinois, Minnesota, Nebraska, Pennsylvania, and Washington. The question is, as Wall Street Journal columnist Gerald Seib has described it, "Will the welfare reform debate now raging in Washington fertilize this era of innovation, or smother it just as it blooms?"

As co-chairman of the National Governors' Association's Welfare

Reform Leadership Team, I am fortunate to be among a handful of state leaders who have been working closely with House Speaker Newt Gingrich, Senate Majority Leader Bob Dole and members of Congress in a bipartisan effort to establish a plan to end welfare as we know it.

I believe that the Republican approach of sending the main control of welfare back to the states by way of block grants is the only — and best — way for this country to go. Many people don't understand what block grants are about. They hear opponents characterize the Republican plan as "abolishing" or "eliminating" programs. But what the block grant approach seeks to do is turn federal programs over to the states where they can be administered more efficiently, at less cost and with more concern for the people involved.

There are hundreds of moneymisused federal programs. By consolidating some of these, we can cut down on many ineffectual and contradictory policies that impede reform. For example, under the current system, if a welfare recipient in Michigan refuses to go to a job training program, and we want to reduce their cash welfare payments as a consequence, that person's food stamps go up automatically. This means there is still no incentive for them to work.

Washington has had 60 years to tackle the welfare problem, now it's time to give the states a chance. We've already proven that we can get results, and certainly we can do better than the current federal system — a dizzying array of failed social experiments that break up families, discourage marriage and don't encourage or reward work. The Republican bill before Congress gives states what Gov. Allen calls, "the freedom to succeed." It is based on many of the sound principles that we have found successful in changing welfare in our states: requiring work, putting time limits on welfare, discouraging illegitimacy and making deadbeat dads — not the taxpayer — pay to raise their kids.

This legislation gives us an historic opportunity to make lasting and meaningful changes in the welfare system. We must not be deterred by those who have no solutions to offer, only scare tactics. Defenders of the current system will argue that our efforts to change welfare are cruel, but I believe the cruelest punishment of all is to condemn someone to a life of welfare. We cannot allow that to happen to another generation of Americans. We must be bold, we must be creative and we must act now.

## swift action on compromise

By EDWIN CHEN  
Los Angeles Times

WASHINGTON — In a historic vote, the Senate Thursday night passed a presidential line-item veto bill, significantly expanding the powers of the presidency — at the expense of Congress.

The bill, a version of which has been approved by the House, enables a president to delete specific lines of appropriations or kill certain tax breaks — a new author-

■ Carper backs special fund . . . . A20  
■ Spending cuts fall short . . . . A20

ity widely championed as a potent White House scalpel against pork barrel spending. A presidential line-item veto can be overridden by a two-thirds vote of Congress.

The line-item veto was a top priority of the "Contract With America," the GOP's campaign manifesto that has been driving the Republican legislative agenda. Such authority, however, has been coveted by White House occupants going back about 100 years. The Republican-dominated House made a point of passing its line-item veto bill (by a vote of 294-134) Feb. 6 — to mark the birthday of former President Reagan, a longtime line-item veto champion.

Senate passage, 69-29, came despite considerable skepticism among many Democrats wary about granting this unprecedented authority to a president, even one from their own party.

But as Sen. Don Nickles, R-Okla., said: "Look, we expect to



Representatives of women's groups are arrested on Capitol Hill Thursday during a demonstration to protest welfare reform proposals. Among the

protesters is Patricia Ireland (third from left), president of the National Organization for Women. The GOP plan is expected to pass the House today.

AP/DENNIS COOK

# Carper, Castle split on welfare bill

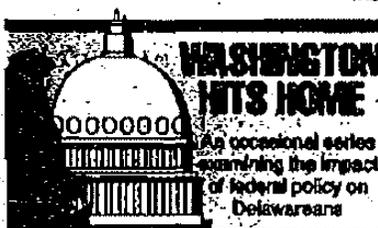
## Governor opposes loss of \$109 million

By PENNY BENDER  
Washington reporter

WASHINGTON — Despite several treks to Capitol Hill and a flurry of protest letters to fellow governors, Gov. Carper may see the House pass a bill he says could kill his welfare reform efforts in Delaware.

Rep. Michael N. Castle, R-Del., is helping drive the nails into the coffin.

Castle is likely to vote today for a GOP bill that would dismantle the federal welfare system, reduce federal spending and give block grants to the states with the requirement that



welfare recipients be bumped from the rolls after five years.

It is a plan Carper contends will cost the state \$109 million over five years, just as he is proposing to spend more money on job training, day care and health care for the working poor.

Castle counters that Democrats are overreacting to the hard-line bill. Instead, he insists, it will give states such as Dela-

ware much more flexibility while cutting waste and bureaucracy.

Castle and Carper have been careful not to criticize each other and say they have had few conversations about the bill.

Castle says Carper has never said the bill would decimate his welfare reform plan. Carper says Castle must vote his conscience.

"All I can do is explain how much more helpful the adoption of the [Democratic] approach would be to us in Delaware," Carper said. "He's the congressman. He has to weigh these things against the pressure he's feeling from the leadership."

It is a ticklish situation for the two moderates who espouse similar views on the issue. Both say the poor should be encour-

aged to work and the federal system fosters dependency on government checks and food stamps.

This week, Carper, leading the Democratic governors in the welfare debate, urged House members to support a conservative Democratic bill that would leave the federal programs in place while giving states more autonomy and providing money to help move families off welfare and into jobs.

That bill failed, 228-205, Thursday night. Castle voted "no." The bill looked attractive to many moderate Republicans, including Castle, but he had indicated he wasn't likely to choose it over the GOP bill.

See REFORMS — A21

### TODAY'S WEATHER

HIGH LOW

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Details on A2

## Study hails bone 'cement'

### Compound could replace screws

nal cement by holding the fragments in place," said Dr. Jesse B. Jupiter, a hand surgeon at Massachusetts General Hospital in Bos-

the material has allowed patients to discard casts early — or altogether — and resume walking more quickly and with less pain.

### Kaelin cre



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# Reforms: Castle backs House GOP bill

FROM PAGE A1

A "no" vote on the GOP bill would mean rejecting a key plank of the "Contract with America."

Carper blasted the GOP bill in a letter Tuesday to House Minority Leader Richard Gephardt, D-Mo. The bill "will only serve to put more children at risk and further exacerbate an already overburdened child welfare system," he said. Provisions of it are "simply impractical and wrong."

Castle, who held back support on the GOP bill a month ago, defends it now. He told House members at the start of this week's debate: "I disagree with those who would say that this bill is cruel. ... This is not mean-spirited Republican philosophy but American values."

Providing block grants will improve some programs, he said. The grant that replaces the federal school lunch program will grow by 4.5 percent a year, more than what Clinton has proposed, he added.

But Castle acknowledged in an interview the bill may have flaws.

"This bill is far from something that will pass the Senate," he said. But the political realism is, "you have to live with what they hand you. ... The important thing to do is start the discussion."

Delaware's two senators have been silent on the House bill, but Republican William V. Roth Jr. supports the concept of block grants and Democrat Joseph R. Biden Jr. does not.

Conservative House Democrats tried to woo Castle and other Republicans, knowing that their 30 to 40 votes could put the Democrats' bill over the GOP's. But by midweek, they knew they had made little headway.

Republican leaders "are trying their best to hold the moderate Republicans together" and have

allowed several modifications to the bill to keep their support, said Rep. John Tanner, D-Tenn.

Changes include increasing the money spent on child care for the working poor by \$160 million and providing vouchers for diapers and formula for single minors with babies who otherwise would be denied cash benefits.

Those changes do little to improve the bill, Carper contends. It would still "severely undercut our efforts" in Delaware, he told Gephardt.

Elements of the GOP bill include:

■ Encompassing dozens of federal programs into five block grants that would give states latitude on child welfare payments, foster care, day care and nutrition programs.

■ Requiring recipients to work after two years, with a five-year limit on benefits. Children born to women younger than 18 could not receive cash aid, nor could children born to women already on welfare. And benefits could be slashed to unmarried parents if paternity is not established.

■ Denying legal aliens Social Security, cash welfare Medicaid and food stamps, as well as most block grant programs.

The plan would save more than \$60 billion over five years.

Carper said there would be no hard feelings if Castle follows the party line, as he mostly has this session.

"We're both big boys. We understand that in the world of Congress and politics sometimes things work out like this," Carper said. "My hope is that he votes for the [Democrats'] bill. ... If he can't do that, there will be another opportunity" when the House considers what comes back from the Senate.

## Remarks

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g statement, Clark it small, dark bag again" after Simp-icago.

"All I can do is explain how much more helpful the adoption of the [Democratic] approach would be to us in Delaware. He's the congressman. He has to weigh these things against the pressure he's feeling from the leadership."

Gov. CARPER

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STATE OF DELAWARE  
OFFICE OF THE GOVERNOR

# NEWS

THOMAS R. CARPER  
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**FOR IMMEDIATE RELEASE**  
Thursday, March 23, 1995

**FOR FURTHER INFORMATION**  
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## CARPER SUPPORTS DEAL WELFARE PLAN, WARNS NATION'S GOVERNORS OF COST SHIFT IN REPUBLICAN WELFARE REFORM

-- Republican plan would cost Delaware over \$100 million and eliminate assistance to thousands of Delaware children --

(Washington, D.C.) -- Governor Thomas R. Carper today urged support of the Deal welfare reform plan, authored by Rep. Nathan Deal of Georgia, and opposition to the House Republican plan in a letter to House Democratic Leader Richard Gephardt (D --MO). In a separate letter to the nation's governors, Governor Carper, along with NGA Chairman Governor Howard Dean (VT) and DGA Chairman Mel Carnahan (MO), also warned that the Departments of Health and Human Services and Agriculture estimate that the House Republican welfare reform plan would mean a projected loss of almost \$70 billion to states and an elimination of assistance to more than 6 million children. Delaware would experience a projected loss of roughly \$109 million, dropping nearly 13,000 Delaware children from federally-supported assistance and reducing assistance to another 6,000 Delaware children.

According to Carper, "I urge support of the Deal welfare reform plan because it represents real welfare reform. Representative Deal's legislation focuses on providing assistance to prepare welfare recipients for work, to help welfare recipients find and

-- more --

maintain jobs, and to ensure that work pays more than welfare -- which the House Republican plan fails to do. By contrast, I am strongly opposed to the House Republican plan because it does not ensure that welfare recipients make the transition to work, does not give states the flexibility we need to enact true welfare reform, and does not assure adequate protection for vulnerable children."

Carper continued, "The litmus test for any successful welfare plan is three-fold: 1) Does it prepare people for work? 2) Does it help them land a job? and 3) Does it allow them to keep working to remain self-sufficient and to continue supporting their family? The Deal welfare reform plan does just that, while the House Republican plan fails to meet this litmus test -- it will not do what the public is demanding, that is, ensure that welfare recipients go to work and become self-sufficient."

Carper added, "The Deal welfare reform plan protects children, while the House Republican plan unfairly targets children who are already at risk because it dramatically reduces the federal commitment to assist disabled children, children in foster care and adoptive placements, and children who are abused and neglected."



STATE OF DELAWARE  
OFFICE OF THE GOVERNOR

THOMAS R. CARPER  
GOVERNOR

March 21, 1995

The Honorable Richard Gephardt  
H 201 Capitol  
Washington, D.C. 20515

Dear Dick:

As one of the NGA's two lead governors on welfare reform, let me take this opportunity to bring to your attention my serious concerns about the House Republican welfare plan, H.R. 1214, which I understand will be considered by the House this week.

You may be aware that earlier this year, I announced my statewide welfare reform initiative, "A Better Chance." My plan seeks to ensure that 1) work pays more than welfare; 2) welfare recipients exercise personal responsibility; 3) welfare is transitional; 4) both parents help support a child; and, 5) two-parent families are encouraged, and teenage pregnancy is discouraged.

Under this plan, welfare recipients who go to work will receive an additional year of child care assistance and Medicaid, as well as part of their welfare grants for their families and an individual development account for continuing education, job training, and economic stability. Welfare recipients will be required to sign contracts of mutual responsibility, and a two-year time limit on cash assistance for recipients over 19 will be imposed, after which recipients will be required to work for their AFDC checks. Teenagers will be required to stay in school, immunize their children and participate in parenting education. To discourage teenage pregnancy, I've begun a grassroots and media outreach campaign to convince teens to postpone sexual activity or avoid becoming or making someone else pregnant.

In essence, Delaware's plan contains strong work requirements, addresses the critical need for child care and health care for poor working families, helps recipients find private-sector jobs, outlines a contract of mutual responsibility between welfare recipients and the state, imposes real time limits on benefits, and lifts barriers to the creation of two-parent families.

As I've reviewed the House Republican plan, H.R. 1214, I believe that it will undercut our efforts in Delaware to enact real welfare reform. As written, H.R. 1214 will not ensure that welfare recipients make the transition to work, will not give states the flexibility needed to enact real welfare reform, and will not assure adequate protection for children.

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The Honorable Richard Gephardt  
March 21, 1995  
Page Two

### Work

The House Republican plan, H.R. 1214, will not ensure that welfare recipients make the transition to work. The litmus test for any real welfare reform is whether or not it adequately answers the following three questions 1) Does it prepare welfare recipients for work? 2) Does it help welfare recipients find a job? 3) Does it enable welfare recipients to maintain a job? The Republican proposal, H.R. 1214, fails to meet this litmus test. This proposal will not do what the public is demanding, that is, ensure that welfare recipients work.

Real, meaningful welfare reform requires recipients to work and my welfare reform plan for Delaware contains stiff work requirements. However, this proposal not only does not include any resources for the creation of private sector jobs, but it would repeal the JOBS program, a program focused on assisting welfare recipients in preparing for and obtaining private sector jobs, and reduce funding for combined AFDC and work requirements. The JOBS program, a central component of the 1988 Family Support Act, received strong bipartisan support from Members of Congress, the Reagan Administration, and the National Governors' Association. The JOBS program in Delaware, "First Step", has been nationally recognized for its' success in training and placing thousands of welfare recipients in jobs. While I certainly support greater state flexibility in the use of JOBS funding, I am concerned that the elimination of this program without replacing it with a means for ensuring the transition from welfare to work would reduce the focus of welfare reform on work. I believe that additional resources, not less, should be targeted to ensuring that welfare recipients can successfully make the transition to work.

The Republican proposal, H.R. 1214, will not assure that families who work will be better off than those who don't because it would deny welfare recipients who go to work the child care, health care, and nutrition assistance they need to improve their lives and to keep their children healthy and safe. That is simply impractical and wrong.

For example, H.R. 1214 will not assure child care assistance to welfare recipients who go to work, or participate in job training or job search activities. In my state, I will be requiring welfare recipients to go to work, and to ensure that they can prepare for, find and maintain a job, I will be providing significant new state dollars for child care assistance. However, this legislation not only appears to reduce the child care assistance by roughly 20 percent over five years, but it would not account for projected increases in child care needs for welfare recipients who are required to work under the bill. I believe that it is unrealistic to expect many welfare recipients to keep

The Honorable Richard Gephardt  
March 21, 1995  
Page Three

working or participate in job training if they are not provided some assistance with child care.

Additionally, H.R. 1214 allows the one-year extension of Medicaid benefits for welfare recipients who go to work to expire at the end of fiscal year 1998. The expiration of this provision will remove both the work incentive that this provision provides, as well as the assurance that welfare recipients who go to work and their children can continue to receive health care coverage. I authored the one-year extension of Medicaid benefits which was adopted by the House in the 1988 Family Support Act, and I am disappointed that this legislation would not extend such a work incentive. I would urge consideration of an additional year extension of Medicaid for welfare recipients who go to work, as I am seeking in my federal waiver application.

### State Flexibility

The House Republican plan, H.R. 1214, will not give states the flexibility needed to enact real welfare reform. In addition to the roughly \$69 billion projected loss in funding for these programs, H.R. 1214 significantly alters the federal-state partnership which has assured both federal and state support for children and families in need. Under H.R. 1214, states would not be able to count on increased federal support during times of recession, to help the thousands, perhaps millions of children and families who will need government assistance.

When I came to the Congress in 1982, I recall the state of our nation's economy. Working families who never thought they'd need the government's support, applied for government assistance. Both the federal and state governments reached out to these families and their children by providing critical support through this difficult time. I am deeply concerned about the next recession, or the next disaster, or the next unforeseen circumstance that will occur in my state, in any of our states or in our country, in which the people in our states will call for our assistance. This proposal makes no attempt to address these unforeseen calamities -- it does not include adequate adjustments for recessions, population growth, disasters, and other events that could result in an increased need for services. As you may recall, the welfare reform resolution which was unanimously approved by the governors at the National Governors Association meeting in January called for any block grant proposal to address such factors. I've attached a February 23 letter to Chairman Archer, signed by Governors Thompson, Engler, Carlson, Dean, Carnahan, and me, outlining these and other concerns.

While I recognize that the bill includes a Rainy Day Fund, the meager size of the fund and the fact that it is a loan fund which states are required to repay within three years, rather than a grant to states, make it a wholly inadequate anti-recessionary tool.

The Honorable Richard Gephardt  
March 21, 1995  
Page Four

In addition, H.R. 1214 expressly prohibits states from using the funding under the cash assistance block grant to serve children born to unmarried mothers under 18, additional children born to mothers who currently receive AFDC, and children and families who have received AFDC for five years or more. Decisions on which populations to serve should be determined at the state level, not mandated by Congress. These provisions should be modified as state options.

Furthermore, states are required, under H.R. 1214, to reduce AFDC benefits for children for whom paternity is not yet established. I favor requiring full cooperation in paternity establishment as a condition of AFDC receipt, but I believe that this particular provision in H.R. 1214 discriminates against women who have fully cooperated.

I believe that this proposal's significant reduction in funding, lack of a safety net and recessionary tools, as well as its numerous prescriptive mandates, threatens to limit the very flexibility I am seeking to ensure successful reform of the welfare system in my own state, and very likely in other states.

### Children

The House Republican proposal, H.R. 1214, will not assure adequate protection for children because it reduces the federal commitment to some of the country's most vulnerable children in a number of significant ways.

For example, H.R. 1214 eliminates the safety net for children by removing the entitlement status of AFDC. Under H.R. 1214, states are expressly prohibited from using these federal funds to serve millions of children, and the bill does not assure children, whose parents go to work, child care, adequate nutritional assistance, or health care coverage. By requiring states to reduce benefits to children for whom paternity has not yet been established, H.R. 1214 will negatively impact millions of children. The most egregious examples are the bill's dramatically reduced federal commitment to assist disabled children, children in foster care and adoptive placements, and children who are abused and neglected. Historically, Congress determined a federal responsibility to support children placed in foster care who came from AFDC-related households in the same way parents continue to pay child support while their children are in foster care. To end this relationship is a fundamental change in the federal government's national commitment to children.

In addition, H.R. 1214 reduces the federal commitment to a number of crucial child nutrition programs, namely school lunch and school breakfast, as well as WIC. During my tenure in Congress, I, along with most of my colleagues in the House, strongly supported the school lunch and breakfast programs because these programs have been critical in ensuring children's health and nutrition, and also strongly

The Honorable Richard Gephardt  
March 21, 1995  
Page Five

supported fully funding the WIC program. Over the past twenty years, WIC has been a critical program in dramatically improving the nutritional status of mothers and their infants. Proper nutrition during pregnancy and in the early years of life is the most critical element in the development of a child. WIC is cost-effective, as a noted Harvard study demonstrated -- every dollar invested in WIC saves three Medicaid dollars. I am disappointed that this legislation reduces WIC funding, and eliminates federal cost containment requirements to competitively bid formula rebate contracts, a provision which reduced WIC costs by a billion dollars in FY94.

I am concerned about the serious negative impact of all of the above provisions on children. None of these provisions are essential to transforming the welfare system and in some instances, e.g. child care reductions and removal of a federal guarantee of child care for welfare recipients who go to work, they will have the direct opposite effect on reform efforts.

It is disturbing to me that children who are most at risk are targeted under this bill -- this will only serve to put more children at risk and further exacerbate an already overburdened child welfare system. Early proposals in the Contract with America, spoke to the potential increased need for a safety net of foster care when hard time limits for welfare reform are put in place. To reduce funding for foster care while acknowledging increased demand from the very population federal foster care was designed to protect is illogical at best. Essentially, these provisions are outright discriminatory and unconscionable, and should either be modified or entirely removed from the bill.

In sum, this legislation will not transform the welfare system. Rather, it would severely undercut our efforts to reform the welfare system in my state. As I am seeking to ensure that welfare recipients prepare for, find, and maintain jobs, I am deeply troubled by this legislation's negative effect on reforming the welfare system here and elsewhere.

I am strongly opposed to H.R. 1214 and I would urge Members of Congress to vote against this legislation, and instead, support the Deal substitute, which in my view, represents real welfare reform. Representative Deal's legislation focuses on providing assistance to prepare welfare recipients for work, and to help welfare recipients find and maintain jobs, as well as ensure that work pays more than welfare, which H.R. 1214 fails to do.

Representative Deal's legislation, in contrast to H.R. 1214, appropriately establishes the framework of a federal-state partnership to transform the welfare system by giving the states the flexibility to pursue innovative approaches and the resources to successfully implement work-focused welfare reform.

The Honorable Richard Gephardt  
March 21, 1995  
Page Six

I appreciate the opportunity to share my concerns with you, and I look forward to continuing to work with you in the effort to transform our nation's welfare system.

Sincerely,

A handwritten signature in black ink that reads "Tom". The letters are cursive and fluid.

Tom Carper  
Governor



OFFICE OF THE GOVERNOR

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OFFICE OF THE GOVERNOR

TATNALL BUILDING  
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(302) 739-4101  
FAX (302) 739-2775

March 22, 1995

X  
X  
X

Dear Governor,

We would like to bring to your attention the Department of Health and Human Services and the Department of Agriculture's estimates on the impact of H.R. 1214, the House Republican welfare proposal which will be considered by the House of Representatives this week.

The Departments of Health and Human Services and Agriculture estimate that, based on current projections, the net effect of H.R. 1214 would be a \$69 billion projected loss in federal funding as a result of the cash assistance block grant, child protection block grant, child care block grant, nutrition block grants, reduced benefits to legal immigrants, and the Food Stamp and SSI provisions.

Attached you will find several charts of the estimated impacts from all of the major provisions of the bill on each state and on the millions of children who will receive reduced assistance or no assistance at all. In addition, please find a page summarizing the impact of the various block grant proposals in your state.

As the Congress considers legislation to transform the welfare system, we look forward to continuing to work with you on this critical issue.

Sincerely,

Mel Carnahan  
Governor  
State of Missouri

Howard Dean  
Governor  
State of Vermont

Tom Carper  
Governor  
State of Delaware

WR-  
DGA



DEMOCRATIC GOVERNORS' ASSOCIATION

MEMORANDUM

**TO:** DEMOCRATIC GOVERNORS AND KEY STAFF

**FROM:** Katie Whelan  
Doug Richardson

**RE:** Governors' Welfare Letter

**DATE:** March 22, 1995

Governor Mel Carnahan  
Missouri  
Chair

Governor Gannon Caperton  
West Virginia  
Vice Chair

EXECUTIVE COMMITTEE

Governor Evan Bayh  
Indiana

Governor Tom Carper  
Delaware

Governor Howard Dean  
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Governor Ben Nelson  
Nebraska

Governor Pedro Rossello  
Puerto Rico

Governor Roy Romer  
Colorado

Katherine Whelan  
Executive Director

Governor Mel Carnahan, Governor Howard Dean and Governor Tom Carper today sent the attached letter to all Governors, Democrat and Republican, to call their attention to new estimates of the fiscal impact of the House Republican welfare bill.

On Tuesday, the DGA faxed to your office the charts and one-page summary for your state that the Governors refer to in this letter. If you need to have those retransmitted, please let us know.

We hope you have found this information useful. Please don't hesitate to let us know if there is other information we can provide.

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

# of pages 21

To <i>Bruce Reed</i>	From <i>John Monahan</i>
Dept./Agency	Phone # <i>6906060</i>
Fax #	Fax #

NSN 7540-01-317-7358

5099-101

GENERAL SERVICES ADMINISTRATION



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March 22, 1995

X  
X  
X

Dear Governor,

We would like to bring to your attention the Department of Health and Human Services and the Department of Agriculture's estimates on the impact of H.R. 1214, the House Republican welfare proposal which will be considered by the House of Representatives this week.

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Attached you will find several charts of the estimated impacts from all of the major provisions of the bill on each state and on the millions of children who will receive reduced assistance or no assistance at all. In addition, please find a page summarizing the impact of the various block grant proposals in your state.

As the Congress considers legislation to transform the welfare system, we look forward to continuing to work with you on this critical issue.

Sincerely,

Mel Carnahan  
Governor  
State of Missouri

Howard Dean  
Governor  
State of Vermont

Tom Carper  
Governor  
State of Delaware



STATE OF DELAWARE  
OFFICE OF THE GOVERNOR

THOMAS R. CARPER  
GOVERNOR

March 21, 1995

The Honorable Richard Gephardt  
H 201 Capitol  
Washington, D.C. 20515

Dear Dick:

As one of the NGA's two lead governors on welfare reform, let me take this opportunity to bring to your attention my serious concerns about the House Republican welfare plan, H.R. 1214, which I understand will be considered by the House this week.

You may be aware that earlier this year, I announced my statewide welfare reform initiative, "A Better Chance." My plan seeks to ensure that 1) work pays more than welfare; 2) welfare recipients exercise personal responsibility; 3) welfare is transitional; 4) both parents help support a child; and, 5) two-parent families are encouraged, and teenage pregnancy is discouraged.

Under this plan, welfare recipients who go to work will receive an additional year of child care assistance and Medicaid, as well as part of their welfare grants for their families and an individual development account for continuing education, job training, and economic stability. Welfare recipients will be required to sign contracts of mutual responsibility, and a two-year time limit on cash assistance for recipients over 19 will be imposed, after which recipients will be required to work for their AFDC checks. Teenagers will be required to stay in school, immunize their children and participate in parenting education. To discourage teenage pregnancy, I've begun a grassroots and media outreach campaign to convince teens to postpone sexual activity or avoid becoming or making someone else pregnant.

In essence, Delaware's plan contains strong work requirements, addresses the critical need for child care and health care for poor working families, helps recipients find private-sector jobs, outlines a contract of mutual responsibility between welfare recipients and the state, imposes real time limits on benefits, and lifts barriers to the creation of two-parent families.

As I've reviewed the House Republican plan, H.R. 1214, I believe that it will undercut our efforts in Delaware to enact real welfare reform. As written, H.R. 1214 will not ensure that welfare recipients make the transition to work, will not give states the flexibility needed to enact real welfare reform, and will not assure adequate protection for children.

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The Honorable Richard Gephardt  
March 21, 1995  
Page Two

### Work

The House Republican plan, H.R. 1214, will not ensure that welfare recipients make the transition to work. The litmus test for any real welfare reform is whether or not it adequately answers the following three questions 1) Does it prepare welfare recipients for work? 2) Does it help welfare recipients find a job? 3) Does it enable welfare recipients to maintain a job? The Republican proposal, H.R. 1214, fails to meet this litmus test. This proposal will not do what the public is demanding, that is, ensure that welfare recipients work.

Real, meaningful welfare reform requires recipients to work and my welfare reform plan for Delaware contains stiff work requirements. However, this proposal not only does not include any resources for the creation of private sector jobs, but it would repeal the JOBS program, a program focused on assisting welfare recipients in preparing for and obtaining private sector jobs, and reduce funding for combined AFDC and work requirements. The JOBS program, a central component of the 1988 Family Support Act, received strong bipartisan support from Members of Congress, the Reagan Administration, and the National Governors' Association. The JOBS program in Delaware, "First Step", has been nationally recognized for its' success in training and placing thousands of welfare recipients in jobs. While I certainly support greater state flexibility in the use of JOBS funding, I am concerned that the elimination of this program without replacing it with a means for ensuring the transition from welfare to work would reduce the focus of welfare reform on work. I believe that additional resources, not less, should be targeted to ensuring that welfare recipients can successfully make the transition to work.

The Republican proposal, H.R. 1214, will not assure that families who work will be better off than those who don't because it would deny welfare recipients who go to work the child care, health care, and nutrition assistance they need to improve their lives and to keep their children healthy and safe. That is simply impractical and wrong.

For example, H.R. 1214 will not assure child care assistance to welfare recipients who go to work, or participate in job training or job search activities. In my state, I will be requiring welfare recipients to go to work, and to ensure that they can prepare for, find and maintain a job, I will be providing significant new state dollars for child care assistance. However, this legislation not only appears to reduce the child care assistance by roughly 20 percent over five years, but it would not account for projected increases in child care needs for welfare recipients who are required to work under the bill. I believe that it is unrealistic to expect many welfare recipients to keep

The Honorable Richard Gephardt  
March 21, 1995  
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working or participate in job training if they are not provided some assistance with child care.

Additionally, H.R. 1214 allows the one-year extension of Medicaid benefits for welfare recipients who go to work to expire at the end of fiscal year 1998. The expiration of this provision will remove both the work incentive that this provision provides, as well as the assurance that welfare recipients who go to work and their children can continue to receive health care coverage. I authored the one-year extension of Medicaid benefits which was adopted by the House in the 1988 Family Support Act, and I am disappointed that this legislation would not extend such a work incentive. I would urge consideration of an additional year extension of Medicaid for welfare recipients who go to work, as I am seeking in my federal waiver application.

### State Flexibility

The House Republican plan, H.R. 1214, will not give states the flexibility needed to enact real welfare reform. In addition to the roughly \$69 billion projected loss in funding for these programs, H.R. 1214 significantly alters the federal-state partnership which has assured both federal and state support for children and families in need. Under H.R. 1214, states would not be able to count on increased federal support during times of recession, to help the thousands, perhaps millions of children and families who will need government assistance.

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While I recognize that the bill includes a Rainy Day Fund, the meager size of the fund and the fact that it is a loan fund which states are required to repay within three years, rather than a grant to states, make it a wholly inadequate anti-recessionary tool.

The Honorable Richard Gephardt  
March 21, 1995  
Page Four

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The Honorable Richard Gephardt  
March 21, 1995  
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I am strongly opposed to H.R. 1214 and I would urge Members of Congress to vote against this legislation, and instead, support the Deal substitute, which in my view, represents real welfare reform. Representative Deal's legislation focuses on providing assistance to prepare welfare recipients for work, and to help welfare recipients find and maintain jobs, as well as ensure that work pays more than welfare, which H.R. 1214 fails to do.

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The Honorable Richard Gephardt  
March 21, 1995  
Page Six

I appreciate the opportunity to share my concerns with you, and I look forward to continuing to work with you in the effort to transform our nation's welfare system.

Sincerely,

A handwritten signature in cursive script that reads "Tom".

Tom Carper  
Governor



HOWARD DEAN, M.D.  
Governor

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Montpelier 05609

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March 22, 1995

The Honorable Richard Gephardt  
Democratic Leader  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative Gephardt: *Dick*

As the House of Representatives debates welfare reform, I wanted to share with you my concerns about the Republican proposal, H.R. 1214, The Personal Responsibility Act.

Vermont was the first state in the nation to implement a statewide welfare reform initiative that includes both work requirements and time limits. Our goals are to strengthen incentives to work, make dependence on cash assistance transitional, and promote good parenting and individual responsibility. Although our reforms took effect in July we are already seeing encouraging results. In the first six months of operation, the number of employed parents in our program increased by 19 percent and their average monthly earnings grew by 23 percent.

We were hopeful that federal reforms promised by the 104th Congress would complement and propel Vermont's reform initiative. However, after closely following the progress of welfare reform in the House and examining the details of H.R. 1214, I can only conclude that this proposal will deal a severe blow to our efforts in Vermont by shifting responsibility and costs to the states.

First, I believe there is a national interest in protecting children and that a child in Mississippi is no less important than a child in Minnesota. Any welfare reform should embrace this national priority and ensure that children are protected and not penalized for the mistakes of others. The Personal Responsibility Act fails to meet this minimum test of decency and represents a declaration of war on America's children.

The failure of the leadership to meet this test is best illustrated by their proposal to block grant the

The Honorable Richard Gephardt

March 22, 1995

Page Two

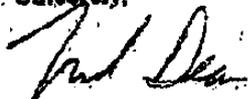
school lunch program, a program that works and puts food directly into the mouths of hungry children. The bill would decrease funding, repeal national nutrition standards and permit states to siphon off school lunch funds to pay for other programs. This is wrong and it should be stopped dead in its tracks.

Second, states have asked for flexibility to tailor welfare reforms to meet the special circumstances present in every state. H.R. 1214 is overly prescriptive by telling states how to design their reforms and who they can serve. It fails to meet the commitment of the leadership to grant states the flexibility we view as critical to successful state-based welfare reform.

Finally, I am convinced, based on our experience in Vermont, that real welfare reform will not save the states or the federal government money in the short run. If the leadership is serious about moving people from welfare to real and meaningful work, it has missed the mark. Slashing \$69 billion dollars over five years from the very programs that would help people transition from welfare to work is a demonstration of the leadership's seriousness of purpose in welfare reform. Without sufficient federal support for true welfare reform, H.R. 1214 is simply another unfunded mandate imposed on the states.

Dick, I stand ready to work with you in any way to improve this bill and I appreciate your leadership on this critical issue. Please feel free to call on me if I can be of any assistance.

Sincerely,



Howard Dean, M.D.  
Governor

HD/br



**OFFICE OF THE GOVERNOR  
STATE OF MISSOURI  
JEFFERSON CITY  
65101**

**MEL CARRAHAN  
GOVERNOR**

**STATE CAPITOL  
ROOM 210  
(314) 731-2222**

March 22, 1995

**The Honorable Richard Gephardt  
House Democratic Leader  
U.S. Capitol, Room H-204  
Washington, D.C. 20515**

**Dear Dick:**

I am writing to express my concerns about the welfare reform proposal, H.R. 1214, scheduled this week for debate on the House floor. Unfortunately, this legislation is not a serious attempt to reform welfare. If passed, it would cause more damage than good to Missourians who are trying to improve their lives.

Democratic governors want to accomplish real welfare reform and understand how to achieve it. It has been Democratic governors who have instituted statewide programs to help recipients break the cycle of dependency and go to work. Democratic governors know that to achieve true change, people must become self-sufficient, find and maintain a job, and be responsible for their families.

The welfare reform legislation that was passed in Missouri last year accomplishes all of these goals and more. Missouri's program emphasizes jobs and self-sufficiency. AFDC recipients, for example must enroll in self-sufficiency pacts that are time-limited contracts with a 24-month time limit and possible 24-month extension. Minor parents must live in their parent's home to receive AFDC.

Missouri's reform does not stop there. Work is rewarded by allowing families to keep a greater share of the money they earn without experiencing a sudden loss of resources. Wage supplements go to employers who create jobs in low-income neighborhoods. Child care is made accessible for those who go to work. Paternity acknowledgment at birth is increased. Perhaps most importantly, Missouri does not tear away the "safety net" for children. These are the responsible ways to help people to help themselves.

Unfortunately, the same cannot be said for H.R. 1214. Self-sufficiency and work are not emphasized. Support for children is not ensured. In fact, this legislation would undermine the reform that has already begun in states like Missouri. For example:

Gephardt  
 March 22, 1995  
 Page 2

- \* Block grants (which are by their name intended to provide flexibility to states) would be provided along with very little flexibility. The legislation is full of micro-management prescriptions that are required of states. Furthermore, the funding to achieve true reform and provide for recipients in harsh economic periods would be, at best, uncertain.
- \* Welfare recipients are denied the training, child care, and health care that are needed to help recipients to qualify for, obtain, and keep jobs. In fact, child care assistance would be reduced approximately 20% over the next five years.
- \* Innocent children would be punished because federal funds could not be used to support children born to a young mother, born to current AFDC recipients, or born into a family that has received AFDC for more than five years. Foster care protections currently in place would be eliminated by this bill and the guarantee of child nutrition programs for low-income children would be eliminated.

These are only a few examples of the problems that are evident with the Republican approach to welfare reform. As for alternative approaches, the proposal put forth by Congressman Nathan Deal (the Individual Responsibility Act of 1995) seems to be a much more legitimate approach to improving the current welfare system. This measure acknowledges what is needed to help people move from welfare to work. This measure would emphasize work requirements, bind recipients to an individual responsibility contract in order to receive benefits, and encourage responsible parenting.

Dick, I appreciate your leadership in trying to achieve true welfare reform. There are ways to reform welfare without punishing those who are less fortunate. I am proud of what we are doing in Missouri and pleased to see many other Democratic governors striving to better serve the people of their states.

Please let me know if there are more ways we can work together with Congress to reward self-sufficiency, hard work, and personal responsibility.

Very truly yours,

*Mel Carnahan*  
 Mel Carnahan

MC:bd



STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25304

GASTON CAPERTON  
GOVERNOR

March 21, 1995

The Honorable Richard Gephardt  
U. S. House of Representatives  
Room H-204  
U.S. Capitol  
Washington, D.C. 20515

Dear Congressman Gephardt:

I am writing in support of your efforts to craft a sensible welfare reform strategy that encourages and supports personal initiative of people involved in our welfare system.

West Virginia has made great strides in recent years bringing its economy back from an enduring recession in the 1980s. We are adding jobs, our population is up and our unemployment is the lowest in 15 years.

Yet, even in the best of times there are hard-working, honorable West Virginians that are unable to find work. Contrary to most stereotypes, in West Virginia the majority of people on welfare live in families headed by two parents. In spite of a lifetime of various manual jobs, these parents may now lack the skills to work in our changing economy. Or they may be unable to afford the child care or health care insurance needed for their children while working a minimum wage job.

We have both a moral and an economic obligation to help these families help themselves. Arbitrary "cut-off" deadlines will not return these people to work nearly as effectively as creating meaningful economic opportunities for them through education and real work experience. Rather, we need to eliminate the disincentives to work running through our welfare system, such as providing transitional health and child care benefits.

OFFICE OF THE GOVERNOR

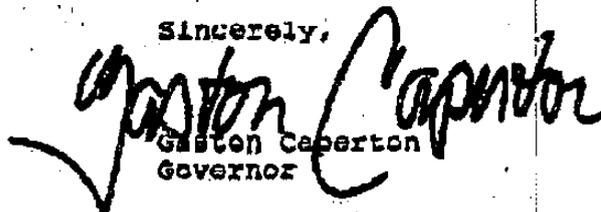
March 21, 1995

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Our state's economy used to rely on natural resources extraction. As in other states, jobs in these sectors are declining while technical and service jobs are increasing. This trend has caused and will continue to cause significant disruption and dislocation to families in our state. As public officials, we need to support, not punish, these families in this increasingly complex and competitive world by creating opportunities and expectations to return to the world of work. I am concerned that current proposals under discussion are long on expectations, but short on opportunity. They must go together.

I look forward to working with you and the members of Congress as you address meaningful and effective welfare reform.

Sincerely,



Gaston Caperton  
Governor

GC:wca

## STATE OF COLORADO

## EXECUTIVE CHAMBERS

134 State Capitol  
Denver, Colorado 80203-1792  
Phone (303) 865-2471



Roy Romo  
Governor

March 22, 1995

The Honorable Richard Gephardt  
House Democratic Leader  
Room H-204, U.S. Capitol  
Washington, D.C. 20525

Dear Congressman Gephardt:

As the House of Representatives initiates its floor debate on welfare reform, I am writing to express my encouragement for the development of a bill that will respond to the needs of the nation's children and at the same time effectively reform the welfare system. The current Republican proposal falls short of these goals in my opinion.

I believe true welfare reform should be based on the following principles:

1. States need maximum flexibility in managing the programs to address their unique circumstances and needs.
2. Moving welfare recipients into employment and keeping them there ought to be the primary goal of any legislation. However, in order to accomplish this goal, there must be upfront investments in education, skill development, and job training.
3. Support services such as child care, medical care, transportation and housing are also critical to successful welfare reform. It is unacceptable to expect a parent to enter employment if it means their children's safety and well being is jeopardized by a lack of child care or medical assistance. These services are costly. For example, in Colorado, a parent with two children, making around \$9.50/hour would spend from 25 to 40 percent of their income to purchase child care alone. Even though costly, these services are necessary for parents to obtain and maintain a job.

The Honorable Richard Gephardt  
March 22, 1995  
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4. Any legislation must establish a requirement for state fiscal participation in its welfare reform effort. Without this commitment, there will be a tendency for programs to be reduced to the level of available federal funding which will be inadequate. Those states choosing to spend state funds to augment their programs may become magnet states for the population seeking employment opportunities. This "race to the bottom" is a short-sighted approach to public policy.
5. Funding must be adequate to support the total cost of work initiatives and support services cited above. Efforts to balance the budget by reducing the federal participation for these programs either shifts costs to the states or results in inadequate work programs to meet the objective of welfare reform. For example, under the current proposal, Colorado would have to increase state spending by over \$20 million over the next five years to maintain its existing program. Increasing participation in employment programs as required in proposed legislation will expand this cost beyond the savings generated by increased flexibility.

Thank you Congressman Gephardt, for your leadership in trying to craft a bill that will lead to real welfare reform.

Sincerely,



Roy Romer  
Governor

/mz-s

MAR 22 '95 07:04 DEMOCRATIC GOVERNORS' ASSOCIATION

No. 0494 P.P. 18/22



STATE OF WASHINGTON  
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (206) 753-6780

March 22, 1995

The Honorable Richard Gephardt  
House Democratic Leader  
Room H-204, U.S. Capitol  
Washington, D.C. 20515

Dear Congressman Gephardt:

I am writing to express my concerns about the proposed Personal Responsibility Act (PRA). I believe this bill, which would essentially dismantle this country's social safety net and replace it with a series of block grants, will be detrimental to Washington State and the nation as a whole. This bill contains a number of provisions that will harm children and likely result in higher, hidden costs to states and local governments.

The welfare reform provisions of this bill would disallow cash assistance to both mother and child when a mother under age 18 bears a child out of wedlock. The bill will also deny additional cash assistance for a child born while a parent is on welfare, bar most legal immigrants from receiving public assistance, and stop aid to families with an adult not cooperating with the child support enforcement system.

While I support the broad program goals of the PRA and recognize the serious need to reshape and revitalize our public welfare system, I oppose prescriptive federal mandates that would harm vulnerable children. I would like to see specific policies in place that protect the well-being and safety of children. This is not a state-by-state interest, but a national one. I favor retaining Aid to Families with Dependent Children (AFDC) as an entitlement program open to any needy family and child who qualifies for benefits.

I am also concerned that block granting will not provide our state with the funding needed to make the radical changes to our welfare system mandated by this legislation. Block granting cash welfare as proposed represents the worst of both worlds - not only reduced funding, but also higher program costs for states to meet expansive conditions and restrictions. If block grants are going to be created then the entitlement nature of the programs must be retained and the prescriptive mandates eliminated. Each state should have the flexibility to determine what reform will work best in that state.

07:04



## EXECUTIVE CHAMBERS

HONOLULU

BENJAMIN J. CAYSTANO  
\*\*\*\*\*

March 21, 1995

The Honorable Richard Gephardt  
House Democratic Leader  
Room H-204, United States Capitol  
Washington, D.C. 20313

Dear Congressman Gephardt:

On behalf of the State of Hawaii, I want to express my strong support for the efforts of the House Democrats to craft a bill that would produce meaningful and effective welfare reform.

The State of Hawaii believes that real welfare reform invests in people. This means welfare programs that train people for the kinds of jobs that will allow them to earn a decent living, to live a life off welfare, to be self sufficient. Our state Department of Human Services is taking action to make this kind of program a reality. We have in place programs which require recipients to work part-time while receiving job skills training. This type of program empowers the recipients by providing them with meaningful work experience concurrent to learning more effective job skills. It also will save the state millions of dollars.

Under the House Republican bill, welfare stands a good change of becoming well-unfair. Unfair to welfare recipients who will see basic benefits cut and eligibility standards devised which do not work in the real world. And, unfair to the states who will find themselves paying out of their own pocket for programs mandated, but not funded, by Congress.

On the surface, the house Republican bill's goals of turning 336 welfare programs into 8 block grants sounds appealing. It sounds like common sense. It sounds like government being wise. In reality, the sound bites of the House Republicans are just that - sound bites. The Republican proposal will bite into the already overburdened safety nets of state and local government and numerous non-profit organizations. It will bite into the tight budget of families working hard to get off welfare. And, most unfortunately, it will be the children in these families who will suffer most.

We in Hawaii cannot let this happen. Our community will not stand idly by while others attempt to hobble our ability to care for our vulnerable populations.

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I and other Democratic Governors believe that the health and safety of children should be protected. That means welfare reform with compassion. The House Republicans proposal overlooks this key guiding principle of welfare.

This proposal also restricts a state's ability to gain meaningful welfare reform tailored to the specific needs of an individual state. I stand with my fellow Democratic Governors in asking for significant state flexibility which is free of the bureaucratic prescriptive language and hazy funding mechanisms.

Congressman Gephardt, your leadership in crafting a reality based welfare reform bill is heartily appreciated in the Aloha State. The Democratic Governors have been national leaders in the welfare reform movement, and we stand ready to help you in any way possible to fashion a welfare bill that will emphasize personal responsibility, promote self-sufficiency, provide economic opportunity and encourage families to stay together.

With warmest personal regards.

Very truly yours,

*Benjamin J. Cayetano*  
BENJAMIN J. CAYETANO

The Honorable Richard Gephardt  
March 22, 1995  
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communities when we desperately need less. Passage of the bill could well increase the number of children in foster care and other expensive alternative living situations. I understand the need to challenge parents to take responsibility for their own lives and for the children they bring into this world, but I disagree with the approach taken in the PRA, which would punish children for the shortcomings of their parents.

Second, I welcome the opportunity to tailor programs and services in ways that meet the unique needs of our individual states, but the current proposal to cap block grant funding does not take into account uncertain variables like recessions, higher unemployment and other changes that result in higher costs to states. I would like to see fiscal protections in place beyond the "rainy day" fund to ensure states have adequate resources to meet the needs of low-income families and children.

Third, information technology is fundamental for states to effectively deliver services to clients and meet federal reporting requirements. Federal resources must be brought to bear so that states can make necessary changes to their current information systems as well as keep up with advances in management information technology.

Finally, as Governor of a state with a large, growing and vibrant immigrant population, I am concerned that we not tip the balance against these families. While the intent of the legislation is not cost-shifting to states, that would be its effect. In addition, the well-being of many immigrant families and children could be jeopardized.

I urge you to consider amendments which would protect children and give states the funding and support needed to turn the corner on poverty and dependency. Effective welfare reform must include a license suspension program for child support enforcement, continuation of the child care guarantee, and safety net provisions to protect children if jobs are not available to their parents.

I appreciate this opportunity to raise these concerns on the proposed legislation. I want to work with you to create and shape a public welfare system that can make a positive difference in the lives of those in need.

Sincerely,

*Mike Lowry*  
MIKE LOWRY  
Governor