

THE WHITE HOUSE¹

WASHINGTON

August 3, 1998

WELFARE REFORM ANNIVERSARY EVENT

DATE: August 4, 1998
LOCATION: East Room
BRIEFING TIME: 2:15 pm
EVENT TIME: 2:45 pm
FROM: Bruce Reed

I. PURPOSE

To demonstrate your leadership in reforming the welfare system by announcing: (1) the elimination of the "100 hour rule" for Medicaid that has prevented some states from providing Medicaid coverage to working, two-parent families; (2) \$60 million in new Welfare-to-Work grants; (3) new federal hiring numbers showing that 5,714 former welfare recipients have been hired since April 1997; and (4) transmittal of the First Annual Report to Congress on the Temporary Assistance for Needy Families program, which shows that 1.7 million adults who were on welfare in 1996 were working in 1997.

II. BACKGROUND

This event will celebrate the two-year anniversary of the Personal Responsibility and Work Opportunity Act, which you signed into law on August 22, 1996, and highlight new action you are taking to promote work and responsibility.

Eliminating Anti-Work and Anti-Family Rules that Denied Families Health Coverage

You will announce that the Department of Health and Human Services will revise its regulations to allow all states to provide Medicaid coverage to working, two-parent families who meet State income eligibility. Under the old welfare rules, adults in two-parent families who worked more than 100 hours per month could not receive Medicaid regardless of income level, while there were no such restrictions on single-parent families. Because these rules provided disincentives to marriage and full-time work, the Administration allowed a number of states to waive this rule. The new regulation eliminates this rule for all States, providing health coverage for working families to help them stay employed and off welfare.

\$60 Million More in Welfare-to-Work Grants

Nearly one year after obtaining \$3 billion in new Welfare-to-Work funds in the Balanced Budget Act, you will announce funds for Maine, Maryland, New Hampshire, New Mexico, Virginia, West Virginia, and Guam. These funds help long-term recipients who have significant barriers to employment obtain and retain jobs and can be used to help fathers as well as mothers go to work. With the \$60 million released today, the Department of Labor has now approved \$759 million for 38 states and Guam under the Welfare-to-Work.

The Federal Government is Doing Its Share

You will announce that the federal government has now hired 5,714 new workers off the welfare rolls, which is over half-way to its goal of 10,000 by 2000. Nearly 80 percent of these new workers live and work outside the Washington Metropolitan area. The Vice President is leading this effort to ensure that the federal government does its fair share to employ welfare recipients. The White House pledged to hire six welfare recipients and has already exceeded this goal and has employed seven former welfare recipients.

Two Years Later, Millions of Welfare Recipients are Working

You will announce the release the First Annual Report to Congress on the Temporary Assistance for Needy Families program, which shows a dramatic increase in the number of welfare recipients who have gone to work. Data from the Census Bureau's Current Population Survey show that the rate of employment of individuals on welfare in one year who were working in the following year increased by nearly 30 percent between 1996 and 1997. As a result, 1.7 million adults on welfare in 1996 were working in March 1997. The report also finds that families moving from welfare to work also enjoy increases in income.

The report highlights the dramatic decline in welfare caseloads, showing that welfare rolls have declined 27 percent since the welfare reform law was signed and that the percentage of the population on welfare is at its lowest since 1969. The report also finds that on average states are spending more per person on welfare-to-work efforts than they did before the passage of the 1996 law.

Several other reports also confirm that welfare reform is on the right track. The Urban Institute recently found that, on average, a family's income goes up 51 percent when they move from welfare to a part-time entry level job, and increases even more as they move to full-time work. The Earned Income Tax Credit, which this Administration fought hard to expand in the 1993 budget, is a major factor in making work pay, especially if families take the option to get part of this tax credit in their regular paycheck. And the National Governors' Association recently reported that state spending on child care has increased by more than half, while spending on helping welfare recipients succeed at work has increased by one-third.

Call for Full Funding for Welfare-to-Work Housing Vouchers

You also will call on Congress to fully fund your proposal for 50,000 Welfare-to-Work housing vouchers to help welfare recipients get or keep jobs by moving closer to job opportunities, reducing long commutes, or securing more stable housing. Although both the House and the Senate have appropriated some funds for this purpose, they have funded less than half the Administration's request.

III. PARTICIPANTS

Briefing Participants:

Secretary Shalala
Secretary Herman
Bruce Reed or Elena Kagan
Chris Jennings
Cynthia Rice

Participants:

Secretary Shalala
Secretary Herman
Beneficiary of Medicaid Rule Change or
Welfare Caseworker tbd

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- YOU will be announced onto the stage accompanied by Secretary Shalala, Secretary Herman, and Person tbd.
- Secretary Herman will make remarks and will introduce Secretary Shalala.
- Secretary Shalala will make remarks and introduce Person tbd.
- Person tbd will make remarks and introduce YOU.
- YOU will make remarks, and then depart.

Vesta Kumble
Dep Director
Anne Arnold

VI. REMARKS

Remarks provided by Speechwriting.

WELFARE TO WORK HOUSING VOUCHERS

The President's FY99 budget takes further steps to promote work and welfare reform through a plan to provide 50,000 new housing vouchers to welfare recipients who need housing assistance in order to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place.

The \$283 million proposal will help address the problem, in many regions, that jobs are being created far from where many welfare recipients live. Currently, about two-thirds of new jobs are being created in the suburbs, but three of four welfare recipients live in rural areas or central cities. The funding for the Administration's Access to Jobs initiative in the Transportation Equity Act for the 21st Century (TEA-21) will assist states and localities to develop flexible transportation alternatives for welfare recipients and other low income workers. But in some cases it makes more sense for someone to move closer to work -- and this new proposal will make that move from welfare to work possible.

How It Will Work

These vouchers will provide States and communities with a new flexible tool to help families who need housing assistance in order to achieve self-sufficiency.

- The additional vouchers will be available on a *competitive basis* to local housing agencies, including Indian housing authorities. Applications must be developed in consultation with the state, local, or tribal welfare agency and the local Welfare-to-Work formula funds grantee (typically the Private Industry Council), to ensure that services are coordinated.
- The vouchers will be used where they are *essential to a successful transition from welfare to work—that is, where housing assistance is critical for a family to get or keep a job.*
- Families who receive the vouchers must be *eligible for or currently receiving Temporary Assistance for Needy Families (TANF) or have received TANF within the past year.*

The initiative recognizes the direct link between affordable housing and self-sufficiency. Along with the Administration's proposal to increase the Low-Income Housing Tax Credit, this initiative will make decent, affordable housing available to more Americans.

Current Status

Congress has recognized the need for housing vouchers to promote welfare reform, but so far has provided insufficient funding for them. The HUD/VA Appropriations bill passed by the House provides \$100 million for 17,700 Welfare to Work Housing Vouchers. The bill passed by the Senate provides only \$40 million for 7,000 housing vouchers. The HUD/VA Appropriations conference committee is expected to occur after the August recess.

08/04/98

**PRESIDENT CLINTON:
MOVING PEOPLE FROM WELFARE TO WORK**

August 4, 1998

"Perhaps no aspect of the welfare system did more to defy common sense and insult our values than the so-called 100-hour rule. Just think of the message it sent: Instead of rewarding work, it took away health care from people who secured a full-time job. Instead of rewarding stable families, it punished couples that work hard and stay together. Instead of demanding responsibility, it basically said a father would do more for his children by sitting at home or walking away than earning a living. The 100-hour rule was wrong, and now it is history."

President Bill Clinton
August 4, 1998

Today, President Clinton will take new action to promote work and responsibility as he announces the elimination of one of the last vestiges of the old welfare system that has prevented some states from providing health coverage to working two-parent families. The President will also: send Congress a report showing that millions of families have made a successful transition from welfare to work in the two years since he signed welfare reform legislation, announce the release of new welfare-to-work grants to six states and Guam, and release new numbers showing that over 5,700 former welfare recipients have been hired by the federal government.

ELIMINATING ANTI -WORK AND ANTI-FAMILY RULES THAT DENIED FAMILIES HEALTH COVERAGE. Today, the President will announce that the Department of Health and Human Services will revise its regulations to allow all states to provide Medicaid coverage to working, two-parent families who meet state income guidelines. Under the old welfare regulations, adults in two-parent families who worked more than 100 hours per month could not receive Medicaid regardless of income level, while there were no such restrictions on single-parent families. These regulations provided disincentives to marriage and full-time work, and the Administration had already allowed a number of states to waive this rule. The new regulation eliminates this rule in every state, providing health coverage for more than 130,000 working families to help them stay employed and off welfare.

TWO YEARS LATER, MILLIONS OF WELFARE RECIPIENTS ARE WORKING. Almost two years after President Clinton signed sweeping welfare reform legislation, reports indicate that welfare reform is on the right track. The President will release a report to Congress showing a dramatic increase in the number of welfare recipients who have gone to work since welfare legislation was signed in August, 1996. The report shows that:

- The rate of employment of individuals on welfare in one year who were working in the following year increased by nearly 30 percent between 1996 and 1997. As a result, 1.7 million adults on welfare in 1996 were working in 1997;
- Families moving from welfare to work enjoy increases in income;
- Welfare rolls have dropped 27 percent since the welfare reform law was signed and the percentage of the population on welfare is at its lowest point since 1969.

GIVING STATES THE RESOURCES TO HELP MOVE PEOPLE FROM WELFARE TO WORK. Today, President Clinton will release \$60 million in funds to six states and Guam to help them move long-term welfare recipients who have significant barriers to employment obtain and retain jobs. With the funding released today, the Department of Labor has now approved resources for 38 states and Guam under the Welfare-to-Work program.

THE FEDERAL GOVERNMENT IS DOING ITS SHARE TO MOVE PEOPLE FROM WELFARE TO WORK. If we are to move people from welfare to work, the federal government must lead by example. Under the leadership of the Vice President, federal agencies have hired 5,714 people off the welfare rolls and are well on their way to meeting their goal of hiring 10,000 former recipients by 2000. Nearly 80 percent of these new employees are working outside the Washington Metropolitan area. The White House had pledged to hire six former welfare recipients and has already hired seven former recipients.

THE PRESIDENT CALLS ON CONGRESS TO FULLY FUND WELFARE-TO-WORK HOUSING VOUCHERS. The President is calling on Congress to fully fund his proposal for 50,000 Welfare-To-Work housing vouchers to help welfare recipients get or keep jobs by moving closer to job opportunities, reducing long commutes, or securing more stable housing. Although the House and Senate have approved some funds for this purpose, that funding is less than half the President's request.