

PRESIDENT CLINTON WILL ANNOUNCE NEW STEPS TO HELP FATHERS SUPPORT THEIR CHILDREN AND FAMILIES MOVE FROM WELFARE TO WORK

January 25, 1999

With welfare caseloads down by nearly half since 1993 and over 10,000 companies committed to welfare-to-work, President Clinton will announce today a new package of initiatives designed to ensure that those remaining on the welfare rolls make a successful transition from welfare to work, with a new focus on increasing the employment of low-income fathers so they can support their children. The President's \$1 billion Welfare-to-Work initiative will help 200,000 more people go to work. At least \$150 million will go toward helping fathers fulfill their responsibilities to their children by working and paying child support. Remaining funds will focus on long-term welfare recipients with the greatest obstacles to employment. The President also will announce today that his budget will contain new welfare-to-work housing vouchers, transportation funds, and tax credits to help those on welfare get to work and stay employed. Taken together, these initiatives will provide parents the tools they need to support their children and succeed in the workforce.

Welfare-to-Work Funds with a Focus on Fathers

The President's \$1 billion Welfare-to-Work initiative will help 200,000 long-term welfare recipients in high-poverty areas move into lasting unsubsidized employment. It is an extension of the two-year \$3 billion Welfare-to-Work program the President secured in the Balanced Budget Act. The initiative, as reauthorized, will provide at least \$150 million to ensure that every state helps fathers fulfill their responsibilities by working, paying child support, and playing a responsible part in their children's lives. Under this proposal, states and communities will use a minimum of 20 percent of their formula funds to provide job placement and job retention assistance to low-income fathers who sign personal responsibility contracts committing them to work and pay child support. This effort will further increase child support collections, which have risen 80 percent since the President took office, from \$8 billion in 1992 to \$14.4 billion in 1998. Remaining funds will go toward assisting long-term welfare recipients with the greatest barriers to employment to move into lasting jobs. The reauthorized program also will double the welfare-to-work funding available for tribes.

The Department of Labor will announce today the availability of \$240 million in competitive grants from the current \$3 billion Welfare-to-Work program. These funds will support innovative local welfare-to-work strategies for individuals with limited English proficiency, disabilities, substance abuse problems, or a history of domestic violence.

Transportation and Housing for Families Moving From Welfare to Work

The President also will announce today that his budget will contain \$580 million for welfare to work housing vouchers and transportation assistance to help those on welfare get to work and stay employed. The President's budget will provide \$430 million for 75,000 welfare-to-work housing vouchers, including \$144 million in new funds for 25,000 additional vouchers. This is a 50 percent increase over the 50,000 vouchers the President secured last year. The vouchers will help families move closer to a new job, reduce a long commute, or secure more stable housing so they can perform better on the job. The President's budget will also increase Access to Jobs

transportation funding from \$75 million to \$150 million, doubling the number of individuals and communities that can receive transportation assistance. This competitive grant program supports innovative state and local transportation solutions such as shuttles, van pools, new bus routes, and connector services to mass transit to help welfare recipients and other low income workers get to work.

Private Sector Hiring from the Welfare Rolls

The President will announce that his budget will include \$530 million to extend for one year the Welfare to Work and Work Opportunity Tax Credits to encourage more employers to hire welfare recipients and other disadvantaged individuals. Already, in response to the President's challenge two years ago in the State of the Union, 10,000 companies have joined the Welfare to Work Partnership and hired, retained, and promoted hundreds of thousands of former welfare recipients. Forty-two percent of these companies are very small businesses (25 or fewer employees), while four percent are very large businesses (3,000 or more employees). The President also will announce that the federal government -- the nation's largest employer -- is doing its part to make welfare-to-work succeed, with over 9,900 former welfare recipients now valuable members of our federal workforce.

Welfare Rolls Decline as More Recipients go to Work

The President will release state-by-state data showing that welfare caseloads are at their lowest level in 30 years and that the welfare rolls have fallen by nearly half since he took office. Since January 1993, 36 states have had caseload declines of more than 40 percent and nationwide the rolls have fallen by 44 percent, from 14.1 million to just below 8 million. Recent information released by the Department of Health and Human Services also shows that the percentage of welfare recipients working has tripled since 1992, that an estimated 1.5 million people who were on welfare in 1997 were working in 1998, and that all states met the first overall work participation rates required under the welfare reform law.

Welfare-to-Work Q&As
January 25, 1999 -- DRAFT

Q: What is the President announcing today?

A: With welfare caseloads down by nearly half since 1993 and over 10,000 companies committed to welfare-to-work, President Clinton will announce today a new package of initiatives designed to ensure that those remaining on the welfare rolls make a successful transition from welfare to work, with a new focus on increasing the employment of low-income fathers so they can support their children. The President's \$1 billion Welfare-to-Work initiative will help 200,000 more people go to work. At least \$150 million will go toward helping fathers fulfill their responsibilities to their children by working and paying child support. Remaining funds will focus on long-term welfare recipients with the greatest challenges to employment. The President also will announce today that his budget will contain new welfare-to-work housing vouchers, transportation funds, and tax credits to help those on welfare get to work and stay employed. Taken together, these initiatives will provide parents the tools they need to support their children and succeed in the workforce.

Q: Why is the President seeking more Welfare-to-Work money when states aren't spending all their welfare block grant (TANF) funds?

A: These additional Welfare-to-Work funds will ensure the hardest-to-employ welfare recipients living in the highest poverty areas get the help they need to get jobs and succeed in the work place. Those remaining on the welfare rolls often face the greatest challenges such as limited English proficiency, substance abuse, or a disability which requires more intensive commitment of resources. The funds will also ensure both parents contribute to their children's support, by focusing a minimum of \$150 million on increasing the employment of low-income fathers so they can pay more child support.

Q: Couldn't TANF funds be used for these purposes?

A: Welfare-to-Work funds can achieve these purposes more directly. For example, most Welfare-to-Work funds flow automatically through the states to communities with the greatest needs (those with highest poverty levels, most long-term welfare recipients, and highest unemployment). Many states, faced with additional TANF funds due to unexpected caseload declines, need to get TANF funds reappropriated in order to direct additional funds to the neediest individuals. Since state TANF block grant levels are fixed, some states may wish to reserve these additional TANF funds as "rainy day funds" when additional funds may be needed due to population increases or regional recession.

Similarly, Welfare-to-Work funds can be used to employ non-custodial parents of children on welfare without additional changes to a state's TANF plan. Often under state law the noncustodial parents of children on welfare are ineligible under TANF, which usually focuses on the custodial parent. Many states would need to redefine, probably in state statute, their definition of an eligible TANF family in order to serve noncustodial parents with TANF funds.

Q: Why aren't states spending their TANF funds more quickly?

A: The most recent data reported by the states to the Department of Health and Human Services show that by the 3rd quarter of FY 1998, states had obligated about three-quarters of TANF funds available to them in the October 1997-June 1998 period. HHS expects future data to show a substantial increase in spending commitments because 1) states will have had the opportunity to appropriate these additional funds, which they did not initially plan for because they did not expect such large caseload declines; 2) state policy decisions made in early 1998 will now be implemented, resulting in additional expenditures. HHS expects states to leave some TANF funds unspent, leaving them in the federal treasury for a "rainy day" when additional funds may be needed due to population increases or a regional recession.

Q: Aren't some states already using Welfare-to-Work funds to employ fathers? What's new about the President's proposal?

A: Today, Governor Carnahan of Missouri will describe how his state has successfully used Welfare-to-Work funds to help low-income fathers increase their employment so they can support their children. Missouri is one of several states (along with Wisconsin and Michigan) that designated all or most of their FY 1998 Welfare-to-Work funds for noncustodial parents of children on welfare (some other states used a portion of their funds for this purpose). Because of the success these states have had, the President proposes to require every state to spend at least 20 percent of its funds to help low-income fathers work and pay child support.

Q: How is what you are proposing for fathers different from Congressman Clay Shaw's bill introduced last session?

A: We believe our proposal supports Congressman Shaw's goal of encouraging states and communities to help fathers become more involved in their children's lives. Our proposal is somewhat more targeted on low income fathers with children on welfare, and builds upon an existing program instead of creating a whole new program. (Our proposal would require states to spend at least 20 percent of their Welfare-to-Work funds, or at least \$150 million, to help low income fathers work and pay child support will also help fathers get involved with their children. Congressman Shaw's bill established a separate block grant for states to fund projects that encourage fathers to marry, be better parents, and increase their employment and earnings. He proposed \$2 billion over 5 years, with \$200 million in the first year, and targeted 80 percent of the funds to fathers with incomes below the state or local average.)

Q: Why are you proposing additional funds for fathers employment programs when the recent evaluation of the Parents' Fair Share demonstration showed disappointing results?

A: Our proposal builds on the lessons of Parents' Fair Share. The evaluation showed that the demonstration succeeded in increasing the fathers' child support payments, but did not have significant impacts on employment and earnings. One of the lessons from the study was the importance of building stronger links to employment services for these fathers, many of whom do work but only in intermittent and low-paid jobs. Our proposal does this by providing fathers employment funds through the workforce system (former Private Industry Councils, now known as Workforce Investment Boards) whose core mission is to help people get and keep good jobs. These workforces boards will be required to work closely with state and local child support offices to ensure fathers meet their child support obligations, which, as a result of the 1996 welfare law, are much tougher than those in place during the Parents' Fair Share demonstration.

Q: The President said in the State of the Union that this additional \$1 billion would help an additional 200,000 people go to work. How was that figure arrived at?

A: The figure is based on a total of \$1.3 billion (\$982 M in federal funds that flow to states and communities, allocation to tribes, and competitive grants -- excluding those funds used for evaluation and technical assistance -- plus \$357 M state match required for the formula funds) and assumes an estimated cost of \$6,500 per individual served. The 200,000 people includes approximately 170,000 hard-to-serve welfare recipients and 30,000 low income fathers (assuming that every state spends 20 percent of their formula funds, or \$150 M, plus match on fathers and assuming the same average costs).

Q: Is the rate of caseload decline beginning to slow? And to what extent is the caseload decline related to the economy and to people going to work?

A: Today the President will release state-by-state data showing that welfare caseloads are at their lowest level in 30 years and that the welfare rolls have fallen by nearly half since he took office. Since January 1993, 36 states have had caseload declines of more than 40 percent and nationwide the rolls have fallen by 44 percent, from 14.1 million to just below 8 million. The rate of decline is almost exactly the same as it was a year ago. For example, between January and September of 1997, caseloads declined 14 percent; between January and September of 1998, they declined 13 percent. Because the number of people on welfare has fallen dramatically, the same percentage decline in 1998 obviously represents fewer people than it did in 1997, but the rate of decline has not slowed.

Only some of this caseload decline can be attributed to the economy. In a study published in May 1997, which only looked at caseload trends from 1993 - 1996, the Council of Economic Advisers attributed 44 percent of the caseload decline to the strong economy and about one-third of the decline to state welfare reform waivers the Administration granted to states to change their welfare reform policies. More recent analysis by CEA finds that only 20 percent of the decline in caseloads between 1994 and 1998 can be explained by economic conditions and only 8 percent of the decline since 1996 can be accounted for by the economy.

Recent information released by the Department of Health and Human Services shows that more welfare recipients are working and more people are leaving welfare for work. The percentage of welfare recipients working has tripled since 1992, an estimated 1.5 million people who were on welfare in 1997 were working in 1998, and that all states met the first overall work participation rates required under the welfare reform law.

Q: Does the \$1 billion you are proposing go the Welfare to Work Partnership?

A: No. The \$1 billion Welfare-to-Work grant program administered by the Department of Labor provides formula awards to states and communities and competitive grants to innovative governmental and non-governmental efforts to help long-term, hard to employ welfare recipients and non-custodial parents obtain lasting unsubsidized employment.

The Welfare to Work Partnership is a private entity consisting of 10,000 businesses committed to hiring from the welfare rolls. Today, Fleet Bank President and Chief Operating Officer Robert Higgins will describe how his company, a member of the Welfare to Work Partnership, is hiring, retaining, and promoting welfare recipients (the bank hired over 800 in 1998 alone, representing about 7.5 percent of the bank's new hires.)

Many Welfare to Work Partnership companies, like Fleet, work closely with local Private Industry Councils and non-profit agencies who receive Welfare-to-Work funds. For example, the Northern Rhode Island Private Industry Council identified welfare recipients and helped train them for jobs at Fleet's Lincoln Rhode Island Financial Services Call Center.

Q: What is the Administration doing this year on housing and transportation for people moving from welfare to work?

A: Today, the President will announce that his new budget will provide \$450 million for 75,000 welfare-to-work housing vouchers, including \$144 million in new funds for 25,000 additional vouchers, and will increase Access to Jobs transportation funding from \$75 million to \$150 million.

We're pleased that Congress fully funded the President's FY 1999 request for \$283 million to provide 50,000 welfare-to-work housing vouchers -- the first new housing vouchers approved in five years. This week, HUD will announce the grant competition so local housing authorities, working in partnership with organizations responsible for welfare reform and Welfare-to-Work, can apply for these new vouchers to help families move closer to a job, reduce a long commute, or secure more stable housing that will help them get or keep a job. The TEA-21 transportation bill authorized up to \$150 million annually for the President's Access to Jobs transportation initiative and the FY 99 budget appropriated \$75 million for this first year. Secretary Slater announced the grant competition for these funds in late October, and is currently reviewing the proposals it received (which far exceed the funds available).

Q: Is today's Los Angeles Times correct in reporting that the Administration's budget will include additional funding for English as a second language instruction?

A: Yes. The Vice President is announcing today that the President's new budget will include a \$70 million initiative to help states and communities provide expanded access to high quality English language proficiency instruction, linked to practical instruction in civics and life skills including how to navigate the workplace, public education system, and other essentials. This initiative is designed both to help meet the extraordinary demand for English and civics instruction in immigrant communities and to demonstrate our shared commitment to fully integrating new Americans into our social and civic life. States, community-based organizations, local education agencies, and other non-profits will compete for grants to support English proficiency and civics instruction. With \$70 million, the initiative will be able to provide English language and civics instruction to approximately 150,000 people in FY 2000.

Q: Is some of the caseload decline the President will be announcing due to new Food Stamp work rules that were added to the 1996 law by Rep. John Kasich? An article in yesterday's Washington Times says the work rule moved 700,000 off welfare.

A: No. The President's announcement that welfare caseload have declined by nearly half since he took office and 35 percent since 1996 refers to the decline in people on TANF (formerly AFDC). The Washington Times story is referring to work rules put in place in 1996 for able-bodied Food Stamp recipients without dependents, who in 1998 comprised 3 percent of the Food Stamp caseload. The Times' headline that the work rule moved 700,000 people off welfare is actually not a conclusion reached by the General Accounting Office study cited in the story. That study found that in 1998 in the 42 states for which they could obtain data, there were 514,000 able-bodied Food Stamp recipients without dependents and in 1995 in all 50 states there were 1.3 million such individuals on Food Stamps. However, it is somewhat misleading to conclude that therefore the work rule resulted in 700,000 people leaving the rolls for work because 1) the 700,00 difference would be lower if we had 1998 data for all 50 states; and 2) there are other reasons why people leave the Food Stamp rolls, including the growing economy.

Q: Does the Administration support requiring able-bodied Food Stamp recipients without dependents to work 20 hours a week?

A: The President believes able-bodied individuals on Food Stamps should work or perform workfare, but those who are unable to get jobs should not lose their Food Stamps. In his FY '98 budget, the President proposed changes to this provision to make it more fair to people who want to work but can't find jobs, including additional funds to provide workfare and training opportunities for individuals facing the Food Stamp time limit (which allows able-bodied individuals without dependents to receive Food Stamps for only 3 months in 36 if they are not working 20 hours a week). The Balanced Budget Act did increase the amount of funds available for this purpose and provide some additional flexibility to states to exempt individuals from these requirements.

Q: Is today's New York Times correct in saying the President's budget will propose to restore certain benefits to legal immigrants?

A: Yes. The Vice President is announcing today in San Francisco that the Administration's FY 2000 budget will restore important disability, health, and nutrition benefits to additional categories of legal immigrants, at a cost of \$1.3 billion over five years. This proposal will build upon the Administration's success in the Balanced Budget Act and the Agricultural Research Act in restoring eligibility for Medicaid, SSI, and Food Stamps to hundreds of thousands of legal immigrants. Upon signing the 1996 welfare law, the President vowed to reverse unnecessary cuts in benefits to legal immigrants that had nothing to do with the goal of moving people from welfare to work.

Work rule moved 700,000 off welfare

By Cheryl Wetzstein
THE WASHINGTON TIMES

In the nearly two years that a food-stamp employment requirement has been in effect, some 700,000 single, childless adults have dropped off the rolls, a federal report says.

Advocates for the poor say the work rule has been a major reason for driving poor people from this "safety net" program and would like to see states required to give adults jobs before ending benefits.

However, a new federal study says that many states are offering workfare or training slots to recipients, but that recipients often refuse the offers.

Some "prefer not to work" or think the food stamps aren't worth enough to work for them, the General Accounting Office (GAO) said in a report released this month on the work rule.

The federal food-stamp program is the nation's largest nutrition assistance program, with around 19 million recipients.

The case load is composed mostly of poor families and disabled or elderly people. But there are also at least 514,200 able-bodied, childless adults who get food stamps in any given month, according to the GAO report.

About 60 percent of these able-bodied single recipients are men. The maximum food-stamp benefit for a single person is \$125 a month.

In 1995, there were at least 1.2 million able-bodied single adults on the food-stamp rolls, and during the last minutes of the 1996 welfare debate, House Republicans added a work rule targeting them.

The rule said single adults ages 18 to 50 must work or be in job training for 20 hours a week. If they failed to meet this rule for three months, they were to be dropped from the food-stamp program for three years.

During the 1996 debate on the work rule, Rep. John R. Kasich, chairman of the House Budget Committee, and Rep. Bob Ney, both Ohio Republicans, said the work rule is only fair because single mothers were going to be asked to work.

Democrats said the rule was "mean spirited" because states could not guarantee jobs for everyone, and liberal groups predicted it would force masses of people

THE LATEST BOOK ON STAMPS

Thirty-seven states and the District of Columbia have asked to postpone enforcement of the food-stamp work rule in areas with high unemployment or "insufficient jobs."

State	Exempted* areas as of Jan. 7
Alabama	12 counties
Alaska	20 census areas
Arizona	11 counties, 5 Indian reservations
Arkansas	33 counties, 1 city
Colorado	8 counties, 1 Indian reservation
Connecticut	21 cities and towns
D.C.	Entire
Florida	17 counties, 3 cities
Georgia	54 counties, 6 cities
Hawaii	Islands of Hawaii, Kauai, Molokai
Idaho	8 Indian reservations
Illinois	36 counties, 21 cities, 227 municipalities
Indiana	4 counties, 3 cities
Kentucky	73 counties, 1 city
Louisiana	41 parishes, 5 cities
Maine	6 counties, 10 communities, 1 Indian reservation
Maryland	3 counties, 2 cities, 3 other jurisdictions
Minnesota	20 counties, 8 Indian reservations
Missouri	32 counties, 1 city
Montana	16 counties, 7 Indian reservations
Nebraska	3 Indian reservations
Nevada	7 counties, 2 cities, 16 tribal areas
New Jersey	1 county, 35 municipalities
New Mexico	18 counties, 9 Indian pueblos and reservations
New York	24 counties, 14 cities
North Dakota	3 counties, 5 Indian reservations
Pennsylvania	34 counties, 5 cities
Rhode Island	4 cities and towns
South Carolina	23 counties, 1 city
South Dakota	8 counties, 5 Indian reservations
Tennessee	52 counties
Texas	20 counties
Utah	6 counties
Vermont	2 counties
Virginia	20 counties, 3 cities
Washington	22 counties, 4 cities, 25 census tracts, 26 Indian reservations
West Virginia	37 counties
Wyoming	1 Indian reservation

* Some requests are still being processed.
Source: U.S. Department of Agriculture Food and Nutrition Service

The Washington Times

into hunger and homelessness.

Stacy Dean of the Center on Budget and Policy Priorities, an advocacy group, said the work rule has had a "devastating impact" by moving poor people off the rolls. The CBPP would like to see states required to offer jobs to these adults, she said.

The GAO report said states had exempted 40 percent of their case loads from the work rule by applying for waivers for areas with high unemployment.

The District, for example, exempted its entire food-stamp case load with a federal waiver. Thirty

seven states, including Maryland and Virginia, have waived certain areas.

Don Winstead, a welfare official in Florida, said single adults leave the food-stamp program for many reasons, not just the work rule. In Florida, the state has surveyed areas where able-bodied single adults are not required to work, and found that 25 percent of recipients leave the rolls anyway.

Nationally, the food-stamp case load has plummeted from a peak enrollment of 27.9 million in March 1994 to 18.8 million in October. The program cost \$26.3 billion in 1997.