

The AFDC Program: The Context for Reform

- ▶ **\$22 billion in benefit payments**
- ▶ **4.8 million families**
- ▶ **Average monthly check = \$388**

- ▶ **70% of entrants off within two years.**
- ▶ **But two thirds of those who leave come back on within three years.**

Recent Reforms

The 1988 Family Support Act

- ▶ **Established Job Opportunities and Basic Skills Program**
- ▶ **Over half of recipients deferred from participation**
- ▶ **States must serve 15% of those not deferred**

State Reform Efforts

- ▶ **Twelve states have substantial welfare reform demonstrations.**
- ▶ **Various approaches to time limits and work incentives:**

**California, Colorado, Florida, Iowa
Michigan, Vermont, Wisconsin**

Values Behind Welfare Reform

- ▶ **Work**
- ▶ **Responsibility**
- ▶ **Family**
- ▶ **Opportunity**

A New Vision

- ▶ **Transitional Assistance Followed by Work**
- ▶ **Making Work Pay**
- ▶ **Parental Responsibility and Prevention**
- ▶ **Reinventing Government Assistance**

**A New Vision:
Transitional Assistance Followed by Work**

- ▶ **Full participation**
- ▶ **Training, education and job placement services (the JOBS program)**
- ▶ **Time limits**
- ▶ **Work for those who exhaust their time limit (the WORK program)**

A New Vision: Making Work Pay

- ▶ **Health care reform**
- ▶ **Advance payment of the Earned Income Tax Credit (EITC)**
- ▶ **Child care for the working poor**

**A New Vision:
Parental Responsibility and Prevention**

- ▶ **Child support enforcement**
- ▶ **Efforts aimed at minor mothers,
responsible family planning and
prevention**
- ▶ **Efforts to promote two-parent families**

**A New Vision:
Reinventing Government Assistance**

- ▶ **Coordination, simplification and improved incentives in income support programs**
- ▶ **A performance-based system**

**Preliminary Cost Estimates
for Hypothetical Proposal**

5-year totals in billions

Transitional Assistance Followed by Work	\$7.8
Making Work Pay	\$5.0
Parental Responsibility and Prevention	\$2.1
Reinventing Government Assistance	\$0.0
Total	\$14.9

Focus and Phase-In

- ▶ **How dramatic a change, how fast?**
- ▶ **Capacity constraints require phase-in.**
- ▶ **Phase-in alternatives:**
 - ▶ **Focus on new applicants and reapplicants?**
 - ▶ **Focus on young families?**

Improving the JOBS Program

Full Participation

Training, Education and Placement (the JOBS program)

- ▶ **Personal responsibility contract & employability plan**
- ▶ **Focus on work & private sector placement**
- ▶ **Closer coordination & integration with existing mainstream education & training program**
- ▶ **Emphasis on worker support once people are placed in a job**

Time Limits, Extensions and Exemptions

Expectation of unsubsidized employment within two years

Flexibility for special circumstances

- ▶ **disabilities and serious barriers to work**
- ▶ **care of a disabled child**
- ▶ **care of an infant?**
- ▶ **limit on the number of exemptions?**

Extensions for services beyond two years

- ▶ **language difficulties**
- ▶ **completing high school or GED**
- ▶ **school-to-work or job training program**
- ▶ **postsecondary education combined with work?**

The Post-Two-Year WORK Program

Temporary work opportunities after the time limit for those unable to find unsubsidized work

- ▶ **Community involvement and oversight**
- ▶ **Emphasis on private sector placements**
- ▶ **Flexible placement options**
 - ▶ **employer subsidies**
 - ▶ **non-profit/community-based jobs**
 - ▶ **placements using new and existing initiatives**
 - ▶ **community service**
- ▶ **Non-displacing placements**
- ▶ **Special provision for weak local economies**

The WORK Program: Work for Welfare Versus Work for Wages

Work for Wages

- ▶ **paycheck not welfare check**
- ▶ **dignity and responsibility of a "real job"**

Work for Welfare

- ▶ **uses existing administrative structure**
- ▶ **previous experience**
- ▶ **state flexibility**

Discouraging Long-Term WORK Participation

- ▶ **Sanctions for private sector job refusal**
- ▶ **Limited duration in any one placement**
- ▶ **Frequent job search**
- ▶ **No EITC benefits?**
- ▶ **Declining state reimbursement**
- ▶ **Limits or reassessment after several placements?**

Minimum Work Expectations

Ultimate goal is independence

Supplementary support beyond 2 years for people working part-time in unsubsidized jobs?

Hours and earnings in WORK program (after limit is reached)

- ▶ **state flexibility: 15-35 hours**
- ▶ **supplements to achieve parity with non-workers on welfare?**

AGENDA

- I. Introduction (Rasco)
- II. Background--The Existing Welfare Program (Bane)
- III. The Values and Policies Behind Welfare Reform (Ellwood)
- IV. Targetting and Phase-in (Bane)
- V. The Upfront Education, Training, and Placement Program (Bane)
 - A. Improving the existing JOBS program
 - B. Time-Limits, Exemptions, and Extensions
- VI. The Post Two-Year WORK Program (Ellwood and Reed)
 - A. Work for Welfare versus Work for Wages
 - B. Discouraging Long Term WORK participation
 - C. Minimum Work Expectations
- VII. Child Care for the Working Poor (Bane)
- VIII. Parental Responsibility and Prevention (Bane and Reed)

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NPR

3/2/94

To: List
From: David Kusnet
Re: Draft for remarks for the first anniversary of the National Performance Review

Here is the draft for the President's remarks for the event tomorrow on the first anniversary of the National Performance Review. With minor revisions, this draft is by Elaine Kamarck.

Please let me know if any changes are needed.

My understanding is the President will speak first, for about seven minutes (this draft would take about five minutes), followed by the Vice President and by several federal employees. So that you can see how the entire event would go, I've also attached drafts for the Vice President's remarks and the remarks by the federal employees. I believe the event will be in 450 OEOB. The President will also speak very briefly at the conclusion of the event.

List:

David Dreyer
Mark Gearan
David Gergen
Pat Griffin
Elaine Kamarck
Phil Lader
Jack Quinn
Bruce Reed ✓
Ricki Seidman
George Stephanopoulos
Todd Stern
Barry Toiv (for OMB)
Christine Varney
Lorraine Voles

**The President of the United States
One Year Anniversary of the National Performance Review
March 3, 1994**

One year ago today, I asked the Vice President to conduct a review of the entire government. Six months ago, he presented his report to me -- and to the American people. Today, we can tell the American people that we are keeping our commitment: This report is not gathering dust in a warehouse.

Here's the most important reason why this report is different from earlier reports on government reform. When Herbert Hoover finished the Hoover Commission report, he went back to Stanford University. When Peter Grace finished the Grace Commission report, he went back to New York City. But, when the Vice President finished his report, he went back to his office -- 20 feet from mine -- and got to working turning his recommendations into reality.

Throughout the government, agencies are talking to their employees and involving their unions in improving services and reducing costs. Eighty-five percent of the recommendations in the Vice President's report have already been implemented. And almost every dollar of the savings identified last September has been built into the 1995 budget to help us make the tough deficit reduction targets set forth in our economic plan.

And, I am pleased that, throughout the government, people are asking themselves how they can meet the challenges in this report: to put customers first; to cut red tape; and to empower the employees to provide better services at lower costs.

Today, I signed performance agreements with Secretary Cisneros of Housing and Urban Development, Secretary Babbitt of Interior, Secretary Reich of Labor, Administrator Bowles of the Small Business Administration, and Administrator Johnson of the General Services Administration.

These agreements set specific goals for their departments to improve the quality and efficiency of their services. For instance, the Department of Housing and Urban Development will improve conditions in public housing, the Interior Department will provide better management of national parks, the Labor Department will promote high performance workplaces, the Small Business Administration will encourage capital investment in small business, and the General Services Administration will streamline the procurement of goods and services by government. In the months ahead, I will sign performance agreements with other cabinet members and agency heads.

I'm pleased that Congress is also answering the challenge. Legislation to offer early retirement incentives to government

employees whose jobs are no longer necessary has passed the House and Senate. As private industry has learned, "buy-outs" are the best way to streamline a workforce, while keeping it productive and diverse. We are going to keep our commitment to reduce the size of the federal government and use the savings to pay for our strategy against crime and drugs: putting more police on the streets; removing career criminals from our communities; educating our young people about the dangers of drug abuse; and providing more treatment for hardcore users.

I'm also pleased by our progress in getting more value for the taxpayers' money in the government's purchase of goods and services. Americans have the right to be angry when they hear that their government is spending too much for a hammer or a toilet seat, and they have the right to demand that their tax dollars be spent with discipline and good judgment. From now on, government is going to do what ordinary citizens do: comparison shop for the goods and services we buy, and get the best value for every dollar. That's common sense, and we're going to make it a little more common in government.

Finally, we will reform the civil service to create a modern, flexible workforce. As the first step, the Office of Personnel Management has already gotten rid of the hidebound -- and hated -- 10,000-page personnel manual.

Step by step, we are cutting the red tape and removing the reams of paper from those forklifts the Vice President and I stood in front of six months ago. And we are finding new ways to make government serve the taxpayers in the best and least expensive ways.

[Introduces the Vice President.]

Concluding Statement

Before we close, I'd like to thank the Vice President, the Cabinet, the Office of Management and Budget, the General Services Administration, and the Office of Personnel Management for all the progress they've made. And I'd like to thank the federal employees who are answering the call to create a government that works better and costs less.

VICE PRESIDENT GORE'S REMARKS -- MARCH 3 REGO
ANNIVERSARY

~~(HAS ELAINE GIVEN YOU THE PURCHASE CARDS??)~~

Mr. President, I have a lot of facts and figures for you but none of them are more illustrative than the ones on a chart about fish ladders.

Fish ladders are the devices we use to make it easy for fish to climb a dam. You know that. It's what salmon and steelhead use to get over the Bonneville Dam in Washington or the Red Bluff Dam in California. When fish swim upstream to lay their eggs, they need fish ladders to get over dams.

Simple devices. But it used to take us 22 months to approve building one of them.

I'd like to introduce you to Roger Patterson from the Department of the Interior. He brought along some charts he'd like to show you.

(VICE PRESIDENT WATCHES AS MR. PATTERSON EXPLAINS HIS CHART)

Mr. Patterson Here's what we used to have to go through to get a fish ladder built. The Vice President's right. It took almost two years. we wasted a lot of time, a lot of money, and a lot of fish. Recently we decided to reinvent ourselves. We cut back on unnecessary layers of bureaucracy. Now that two year process takes three weeks.

Thanks Dan. While you're at it, can you leave the old chart on the table over there? Dan, I'd also like you to show President Clinton the process for ordering fish ladders.

Mr. President, what's happening with fish ladders at is happening all over this country. We've had real progress in the last year.

There are two ways to talk about progress.

In the first half of the year we listened to the American people. They told us that they thought the government wasted their money and couldn't do anything right. We also listened to the men and women who work for the government who told us how and when the government wastes their money and why it can't seem to do

anything right. And then we put what we had learned on paper and published a report.

Since then we've been working non stop to make sure that every cost savings and every reform no matter how small gets done.

Let's start with the savings. In the report we projected to save \$12.6 billion in 1994 and 1995. Some of those savings were submitted to Congress last fall but the majority of those savings have been submitted in the President's 1995 budget. All together the Clinton Administration has submitted \$12.5 out of the \$12.6 billion in savings we predicted in September. OMB Director Panetta will be available later to give details of this from the President's budget.

The President has signed 18 presidential directives from the report. Of the legislation required 150 initiatives are in the legislative process in one form or another and another 143 initiatives will be introduced this year. Of the hundreds of agency initiatives outlined in the report 66 percent are currently being implemented.

But for me the success stories of reinvention cannot be totally captured in dollars saved or legislation passed -- important as both are. For me reinventing government is succeeding when individual public employees get the message and decide that they can do it.

You know, last year I said I was going to go to every Agency in our government to see first hand what the problems were.

Now, you have to be careful about these sweeping generalizations. I'm reminded of the father lecturing his son on drinking. He said, " Son, there are 15 saloons in town and I haven't been in one of them."

The son asks, "Which one is that?"

Well, there are about 20 major agencies in the Federal government and I was in every one of them.

And starting next week, I'll revisit every one. I want to celebrate the heroes of reinvention. I want to celebrate their successes and help them with their problems.

On March 9 I'll meet with people from around the government who are providing superb customer service.

Today I'd like to give you a brief glimpse of how this government is doing. Any organization geared to customers will tell you that before you can hope to serve your customers well you've got to cut red tape. For example ...

{Someone carries out the stack of 250 reports and places them on the small table next to Vice President Gore.}

Bonneville Power is one of several facilities the federal government manages. It is also one of our reinvention laboratories. Until the President issued an executive order on streamlining last fall

Bonneville issued 250 reports per year. This stack *{Gore points to the stack}* cost the customers of Bonneville around \$6 million. The workers at Bonneville have been going through these reports and deciding which ones they can do without. Half of this stack is now gone and the other half is shrinking fast. When that stack of paper shrinks -- you the taxpayer save money.

Other agencies are doing the same thing. Remember Mr. President back in September when we went out to a GSA warehouse? At that time we looked at the following stack of forms necessary to buy even the simplest cheapest items.

{Someone carries out a stack of small purchase forms that were on the table last Sept. and places them next to or on top of the Bonneville reports}

This amount of paperwork used to cost the government \$50 for each small purchase. But the government is now moving towards the widespread use of purchase cards for small purchases. Under a new contract that GSA has signed with VISA the government pays no fees and gets rebates. At least 5 million small purchases a year will be switched over to the purchase card saving us millions. Mr. President in case you need to run out and buy a box of file folders for the Oval office here is your very own government purchase card.

{Vice President Gore hands President Clinton a personalized government purchase card with his name on it.}

Finally Mr. President -- few of the things we do in this government are as important as guaranteeing the safety of the American workplace. I'd like to introduce to you Ms. Joan Hyatt who is an OSHA inspector from Denver Colorado.

Joan Hyatt:- Mr. President, Mr. Vice President. A few months ago OSHA held a reinvention conference with field inspection staff, supervisors and OSHA's top management. We developed 22 proposals and 19 were adopted by management on the spot. One of the direct results is that the old manual which was 700 pages has been reduced to this new manual of about 70 pages. In the process we got rid of alot of things that used to get in the way of doing our jobs.

Joan -- how about adding the old manual to the pile over there.
Thanks alot.

Mr. President, Ladies and Gentleman of the Press. As you can probably tell -- reinventing government is a little bit like Woody Hayes football -- 3 yards and a cloud of dust (or paper.) Of course you get three yards every time and you end up with a fourth and one.

We've had to punt a few times but we are making government work better and cost less. Like those catfish in Arkansas, we've found a way to swim upstream against the current. And over the next few months, we hope to introduce you to many more of the people who are getting getting the job done

Mr. President. . .

HARVARD UNIVERSITY
JOHN F. KENNEDY SCHOOL OF GOVERNMENT
79 KENNEDY STREET
CAMBRIDGE, MASSACHUSETTS 02138

NO

PROGRAMS FOR
SENIOR MANAGERS IN GOVERNMENT
AND
SENIOR EXECUTIVE FELLOWS



February 10, 1994

PHYLLIS PROVOST McNEIL
Director
(617) 496-4847
FAX: (617) 496-6241

Mr. Bruce Reed
Deputy Assistant to the President
for Domestic Policy
1600 Pennsylvania Ave., NW
West Wing
Washington, DC 20500

Dear Mr. Reed:

You have been identified as someone who might be interested in a senior Executive program offered by Harvard's Kennedy School of Government. I know that you are extremely busy getting the second year of the Administration's agenda underway; however, I hope that you will take a minute to read the information about these two Executive programs--for yourself and possibly one of your staff.

The Senior Managers in Government (SMG) Program (offered 31 July-19 August 1994) and the Senior Executive Fellows (SEF) Program (offered 26 September-18 November 1994) provide participants with a unique opportunity to acquire fresh perspectives on public policy and management while gaining a deeper insight into their own managerial style.

The SMG Program, chaired by Professor Roger Porter, is an intensive three-week session for experienced executives, including Senior Executive Service career employees, political appointees of comparable grade level, flag rank officers, and private sector executives responsible for government relations, and officials from foreign governments, whose institutional roles require them to operate in the complex environment of shared responsibility.

The SEF Program, chaired by Academic Dean Herman "Dutch" Leonard, is an eight-week development session for promising upper-level, middle managers who are assuming executive responsibilities. The managers who attend this Program are usually at GS/GM-15 grade level, those newly appointed to the Senior Executive Service, and their foreign and private sector counterparts.

The curriculum of both programs is designed to hone the considerable management skills that these experienced executives bring to their work. Using examples drawn from public and private sector experience, the programs' rigorous public management curriculum focuses on several key management issues, including organizational strategy, policy analysis and design, leadership, negotiation, and ethics, while sharpening analytic skills and broadening perspectives on the interaction between public and private sectors.

Enclosed are brochures and applications on each program in the hope that you, or one of your staff, might be able to attend one of these programs in 1994.

I wish you all the best in tackling the exciting and daunting challenges of this new year!

Sincerely,

Phyllis Provost McNeil

Enclosures

THE WHITE HOUSE
WASHINGTON
February 17, 1994

*Cathy -
Kathi - I will
go to this.*

MEMORANDUM FOR Vice President Gore
Secretary Bentsen
Attorney General Reno
Secretary Espy
Secretary Reich
Secretary Shalala
Secretary Cisneros
Secretary Riley
Leon Panetta
Laura Tyson
Bob Rubin

FROM: Carol H. Rasco, ^{*Rasco*} Assistant to the President for
Domestic Policy

SUBJECT: Welfare Reform

The meeting to discuss in depth the draft proposals for welfare reform which I referenced in a February 15 memo has now been confirmed for Wednesday, March 2 from 4 to 6 p.m. in the OEOB Room 211. As stated in the previous memorandum, this is to be a meeting for principals only with each principal allowed to name a designee to attend if the principal cannot attend; only one person per department will be seated. The exception to this statement will be the inclusion of the co-chairs of the Welfare Reform Task Force.

On Monday morning, February 28 there will be delivered to you a confidential draft document upon which the meeting's agenda will be based. The agenda itself will be to discuss in depth each of the components outlined in the document.

Please confirm your attendance or that of your designee with Rosalyn Miller of my staff at 456-2216.

Thank you.

cc: Mack McLarty
David Gergen
George Stephanopoulos
Mary Jo Bane
David Ellwood
Bruce Reed
Kathi Way

THE WHITE HOUSE

WASHINGTON

February 17, 1994

MEMORANDUM FOR David Ellwood
Mary Jo Bane
Bruce Reed ✓
Kathi Way

FROM: Carol H. Rasco *CHR*

SUBJECT: Welfare Reform

Per the notice faxed to you earlier today, you will note the March 2 meeting date is confirmed. As promised we will distribute the draft welfare reform document to the cabinet heads on Monday, February 28. This means I need a single copy of the finished version of the memo **by the close of business Tuesday, February 22.**

Also, I would like for the four of you to discuss a format for discussion at the March 2 meeting; needless to say, I think we all agree that we want to engage the participants to the maximum extent possible in the discussion that afternoon. I will look forward to discussing the meeting with you.

Thank you!