

CLINTON BILL WORK PROVISIONS

LIBERAL LOOPHOLE #1

President Clinton says Republicans are "weak on work" whereas his bill is tough on work. Consider the following:

- ✓ The independent Congressional Budget Office estimates that the President's bill would result in only 900,000 families on welfare working in 2002, more than 30 percent less than the 1.3 million required to work under H.R. 4, which Bill Clinton said "does too little to move people from welfare to work" in his January 9, 1996, veto message.
- ✓ Under the Clinton bill, families must work within 2 years of coming onto welfare -- starting in fiscal year 2004.
- ✓ Under the Clinton bill, there is no mandatory penalty on States that fail to move enough families into work (Republican bills require States to forfeit up to 5% of their block grant if they fail to meet annual work participation targets for their welfare caseload).
- ✓ Most parents have to work to support their family, in good times and bad. But the Clinton bill has several specific exceptions that range from age to illness to inability to obtain child care.

Conclusion

President Clinton's work requirements are riddled with liberal exceptions and loopholes that put welfare first, not work.

CLINTON BILL TIME LIMIT

LIBERAL LOOPHOLE #2

President Clinton claims his bill limits welfare benefits to 5 years. Here are the facts:

- ✓ Under Clinton's "5-year" time limit, no family would ever be forced off welfare. Families are guaranteed non-cash benefits forever, continuing the current entitlement to welfare that has resulted in average stays of 13 years.
- ✓ To most people, if you are collecting a welfare check, that means you are "on welfare." But in counting months on welfare, the Clinton bill has several specific exceptions that range from age to illness to inability to find child care, so many families can collect welfare without having their five-year "clock" tick.
- ✓ Even if families reach the "5-year" limit, checks keep flowing if:
 - (1) someone in the family worked 20 hours per week;
 - (2) the family lives where unemployment is above 8%; or
 - (3) the family is experiencing "special hardship circumstances," limited to a total of 15 percent of the State's caseload per month.
- ✓ If a teen has a baby at 13, she is guaranteed welfare checks until age 23 – 10 years, not 5. The Clinton plan gives teens additional incentives for having babies.

Conclusion

The Clinton bill's liberal loopholes mean there are no time limits for people on welfare. Welfare will remain a way of life under the Clinton plan.

CLINTON BILL PROVISIONS GRANTING WELFARE TO PEOPLE WHO AREN'T AMERICAN CITIZENS

LIBERAL LOOPHOLE #3

Does the President Support Welfare for Noncitizens?

Republicans want to end welfare for noncitizens. Immigrants promised not to go on public aid before becoming citizens as a condition of entry, and we hold them to their word. By contrast, Clinton allows more noncitizens to join the welfare rolls:

- ✓ The Republican bill creates both an outright ban on most welfare programs for most noncitizens and new sponsorship and deeming rules. The Clinton bill contains only new sponsorship and deeming rules.
- ✓ One result of this policy difference is that the Republican bill reduces welfare spending on noncitizens by \$22 billion over 6 years while the Clinton bill reduces spending by only \$6 billion.
- ✓ The welfare program most abused by noncitizens is Supplemental Security Income. Hundreds of thousands of elderly noncitizens, usually the parents of immigrant children, come to the U.S. and soon collect SSI benefits (about \$8,500 per year for a couple). Most also receive free health care coverage. As compared with no change in policy, the Clinton approach reduces spending on SSI for noncitizens by \$4.5 billion; the Republican approach reduces SSI spending by \$12.8 billion.
- ✓ Medicaid is another welfare program heavily abused by noncitizens. The Clinton approach would reduce Medicaid spending on noncitizens by \$0.6 billion; the Republican approach reduces spending by \$5.9 billion.
- ✓ Under the Clinton bill, the number of noncitizens receiving SSI increases every year, rising from 690,000 today to more than 822,000 in 2002. Under the Republican bill, the number of noncitizens receiving SSI would fall to 362,000 by 1999.

Conclusion

The Clinton bill protects welfare benefits for people who aren't American citizens and forces taxpayers to pick up the tab.

CLINTON BILL PROVISIONS ON STATE FLEXIBILITY

LIBERAL LOOPHOLE #4

**Instead of freeing States to reform welfare,
the Clinton plan maintains maximum Federal control.**

- ✓ Under the Clinton plan, the same perverse welfare incentives continue. States get more federal funds if more families go onto welfare; they lose funds if families leave welfare for work. Under the Republican bill, States receive fixed block grants, a strong incentive to move families off welfare and into work.
- ✓ The Clinton bill contains explicit entitlement language and broad provisions guaranteeing various procedural safeguards to individuals. These provisions continue the failed system of welfare entitlement and create highly legalistic and bureaucratic barriers to state programs aimed at requiring people to work.
- ✓ Most families in America are not entitled to paychecks if they don't work. Today, families on welfare are. The Republican bill treats families on welfare the same as working families by ending the welfare entitlement. The Clinton bill does not; families on welfare that don't work keep collecting guaranteed benefits.
- ✓ Unlike H.R. 4, under the Clinton plan States would not have flexibility to limit benefits to fewer than five years, and in fact would be forced to continue vouchers forever--even after families hit Clinton's so-called five year limit.

Conclusion

The Clinton bill does not offer States as much flexibility to operate welfare programs as the Republican bill. The Clinton plan continues the current system of individual entitlement and excessive federal rules and bureaucracy.

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Key Features of the Clinton Welfare Reform Plan
May 1996

1. The Clinton plan proposes a five-year time limit on cash welfare benefits, but it has so many exceptions few families would ever be affected.

By far the most significant restriction in the Clinton plan is its proposal to limit lifetime receipt of cash welfare to a total of no more than five years. Unlike H.R. 4, however, States would be required to provide a full "five years" (see exceptions below) of lifetime benefits, and could not elect to reduce the maximum a family could spend on welfare to fewer than five years.

The adoption of a "clean" five-year limit (with exceptions for no more than 15 percent of the caseload, as in H.R. 4) would be a dramatic step, and would do more to overhaul the culture of welfare in America than almost any other change. Where real time limits have been attempted, caseloads have fallen by more than 50 percent, and families came to view the availability of welfare as insurance against the worst of times, not the easy fall-back option it is today. Unfortunately, the Clinton plan proposes so many exceptions to the five-year limit that this effect, a strong incentive to work and stay off welfare for millions of families, would be seriously diluted. For example, in determining the total number of months a family has spent on welfare for purposes of the five-year limit, the Clinton bill *ignores* months during which:

- a parent is under age 18 (or under 19, at State option) and in school;
- a parent is ill, incapacitated, or aged, or is caring for a family member who is ill or incapacitated;
- a family has a demonstrated inability to obtain needed child care;
- a parent is caring for a child under one (or, in the case of a second or subsequent child born while the family is on welfare, a parent is caring for a child under three months); or
- a woman is pregnant in the third trimester.

According to the Congressional Budget Office, at least 25 percent of the caseload would receive an exemption in any given month. As a result any family in one of the above circumstances could spend more than five years on welfare. For example, if a teen becomes pregnant at age 13 and has a child at 14, she may receive cash welfare continuously for more than ten years before the "five-year" limit could take effect.

Even for families that reach the "five-year" limit other exemptions would allow them to continue receiving welfare checks. Families that have reached the Clinton "five-year" time limit would continue to qualify for a welfare check during months in which:

- an individual in the family worked 20 hours per week;
- the family lives in an area with an unemployment rate above 8 percent;
- the family is experiencing "special hardship circumstances" (limited to a total of 15 percent of the State's caseload per month);

Alternatively, States could elect to exempt 20 percent of the total caseload from the five-year time limit (as distinguished from 20 percent of families that have actually reached the limit), in the place of the combined exemptions described immediately above. It is unclear why a State would do so, unless the Clinton plan is designed to exempt far more than 20 percent of the caseload from the five-year time limit. Because the Clinton plan lacks important specifics such as what constitutes an "area" of unemployment, however, knowing exactly how many Americans would be eligible to receive welfare forever is impossible. However, unless States opted to limit exemptions from the five-year time limit to 20 percent of the entire caseload, a conservative estimate is that monthly government checks would remain a lifetime entitlement for at least 40 percent of welfare families.

The exception for families living in areas with relatively high unemployment is especially problematic. For many areas in economic distress, this exemption would make that fate permanent -- families on welfare would be motivated to move into such communities in order to avoid work and continue collecting government assistance indefinitely. This provision also completely discounts the fact that millions of working parents in America commute to work -- many using public transportation -- every day. Many travel an hour or more each way, passing several "areas" of economic distress to find suitable work. What matters to them is not so much the unemployment rate where they live, but the availability of jobs in communities nearby.

The final major flaw of the Clinton plan's time limit is that it restricts only cash benefits after five years, and requires States to continue other welfare benefits to families that might be subject to this restriction. In contrast, H.R. 4 prohibits the use of Federal funds to provide cash or non-cash benefits to families after they have been on welfare for a total of five years -- a clear signal that families must support themselves after that time. Under the Clinton plan, even if a family reaches the five-year limit, States must provide vouchers payable to the family. States are entitled to Federal funds for this purpose in the same manner as for cash welfare payments, meaning States retain an incentive to keep families on welfare, albeit with reduced benefits, indefinitely.

2. Instead of requiring work for welfare benefits, the Clinton plan allows families to avoid work for years and places sham "work requirements" on States.

Under the Clinton plan, families seeking to enroll in welfare must sign "individual responsibility plans" detailing "what services the State will provide the individual so that the individual will be able to obtain and keep employment in the private sector, and describe the job counseling and other services that will be provided by the State." The burden under individual responsibility plans falls not so much on the individual to work as on the State to provide an expanded array of education and training services.

The proof is in the details of the Clinton plan's advertised requirement that welfare recipients "work" within two years or lose benefits. The Clinton plan requires States to set up and operate Work First programs (providing "education, training, job search and placement, wage supplementation, temporary subsidized jobs, or such other services that the State deems necessary"). Every work-eligible parent who is not working within one year of coming onto welfare must be placed in a Work First program for up to two years of education and training. After two years, Clinton claims, workers must work or lose welfare benefits. The catch? The requirement takes effect starting in October 2003. Given the likelihood that welfare caseloads will remain high due to the porous Clinton five-year time limit, the burden of paying for this two-year education and training mandate on States begins in fiscal year 2004, conveniently outside the plan's seven-year budget window.

The Clinton plan's requirement that States place a specified percentage of their caseload in work or work-related activities also is a sham. First, many families would be exempted from work. Welfare recipients who are ill, incapacitated, of advanced age, responsible for a child under age one (or under three months for subsequent births to families on welfare), pregnant in the third trimester, or caring for a family member who is ill or incapacitated are excluded from the caseload in determining the State's participation rate. In contrast, most working American families deal with such issues and continue to earn regular paychecks. Under the Clinton plan, it is assumed that families on welfare are incapable of making similar adjustments. Under H.R. 4, only parents subject to short-term sanctions for failure to work and, at State option, parents responsible for a child under age one are excluded from similar calculations. The effect? Under the Clinton plan, in the plan's early years States are likely to meet their "work participation" requirement without making any additional effort to move welfare families into work.

Making it still easier to meet required work participation rates, the Clinton plan allows States to count families that have left welfare for work for six months in determining

the number of families on welfare who are participating in work or work-related activities. The natural flow of families off welfare means that, due to this provision alone, States magically would be more than halfway towards meeting their required "work participation rates" without lifting a finger to move more families into work. In contrast, H.R. 4 credits States only with net caseload reductions (so that if a State's welfare caseload has fallen from 100,000 in fiscal year 1995 to 90,000 in 2002 -- a ten percent drop -- its required participation rate would be reduced from 50 percent to 40 percent in 2002).

Despite the apparent ease of States in meeting the Clinton plan's work requirements, there nonetheless would be no mandatory penalties on States that somehow avoid achieving their required rates. H.R. 4 would penalize a State by withholding five percent of its annual block grant for each year it fails to meet its work rate requirement. There is no similar requirement in the Clinton plan. In fact, even after two consecutive years of failing this requirement, the Secretary still has the discretion not to penalize a State: "If a State fails to achieve the participation rate required...for 2 consecutive fiscal years, the Secretary may require the State to make changes in the State programs established under this part...and reduce by up to 5 percent the (block grant) amount otherwise payable to the State."

3. The Clinton plan continues the current system in which noncitizens collect welfare despite our country's laws and traditions.

H.R. 4, the Congressional welfare reform bill, places new restrictions on welfare benefits available to noncitizens: (1) Supplemental Security Income (SSI) and food stamps would be reserved until citizenship (but noncitizens who have worked and paid taxes in the U.S. for at least 10 years would remain eligible for full benefits); (2) States would have the option of restricting Federal cash welfare, Medicaid and social services; (3) future noncitizens would be ineligible for most Federal means-tested benefits; and (4) if a noncitizen required a sponsor to enter the country, the sponsor's income would be "deemed" or added to the noncitizen's income in determining the noncitizen's eligibility for any welfare benefit prior to citizenship (plus the sponsor would have to reimburse taxpayers for the cost of any benefit received by the noncitizen).

Of these major changes, the Clinton plan addresses only two, and then only in part. First, the Clinton plan would extend deeming until citizenship (from the current three or five years) for the cash welfare, SSI and food stamp programs only, and then with exceptions for noncitizens who have worked for five years. H.R. 4 extends deeming until citizenship for most programs, with exceptions for those who have worked 10 or

more years.

More problematic than the limited scope of the Clinton deeming requirement are its exceptions. Instead of holding sponsors responsible for their promise to support noncitizens, the Clinton plan makes taxpayers more likely to pick up the bill. The Administration bill even creates a perverse incentive for noncitizens to select poor sponsors who are themselves likely to collect welfare because no part of a sponsor's income would be deemed to the noncitizen during months in which the sponsor is collecting as little as \$1 in cash welfare or SSI benefits. Amazingly, this exception is broader than current law, making it more likely that noncitizens with poor, welfare-dependent sponsors would receive welfare benefits than under current conditions.

The Clinton bill's second proposed change in benefits for noncitizens is a meager attempt to reserve cash welfare, SSI and Medicaid benefits for citizens and certain "qualified aliens." The Clinton bill's fine print describes how "qualified alien" can mean any noncitizen who is married to a citizen, is a child (under age 21) of a citizen, or is the parent (applying for permanent residence) of a citizen over age 21. As long as one adult in a family is a citizen, practically every other member can be a noncitizen and continue to qualify for welfare benefits undeterred. The hollowness of this provision is betrayed by the Congressional Budget Office's estimate of its seven-year savings: \$234 million. Savings from related provisions in H.R. 4 total more than \$15 billion, most from restricting eligibility for the SSI program.

The huge difference in savings points out the Clinton plan's almost complete failure to seriously address noncitizen eligibility for the SSI program. In the last 12 years, the number of noncitizens on SSI jumped from 127,906 (3 percent of SSI rolls) to 738,140 (12 percent of SSI rolls). If current trends continue, the number of noncitizens on SSI could reach two million within 5 years, according to the General Accounting Office. The growth is most pronounced in the SSI-elderly program: Elderly noncitizens were six percent of the SSI-elderly rolls in 1982, and they were thirty percent of the SSI-elderly rolls in 1994; average 1994 SSI checks to elderly noncitizens (\$400) were more than double those of elderly U.S. citizens (\$180); almost half of the spending on the SSI-elderly program is on noncitizens.

Under H.R. 4, every noncitizen who would lose eligibility for SSI was permitted to enter the U.S. on the promise that he not become a public charge prior to becoming a citizen. Clearly, receipt of SSI (a Federal means-tested entitlement program for the poor supported by general revenues) is evidence that this pledge has been violated. Nonetheless, the Clinton plan would allow millions of noncitizens over time to continue depending primarily on taxpayers, not their sponsors, families, or their own

labor, for support.

4. The Clinton plan maintains maximum Federal control over State welfare programs.

Several general features reflect how, especially in comparison with H.R. 4, the Clinton plan is designed to maintain a high level of Federal control over welfare.

Even though the Clinton bill replaces Aid to Families with Dependent Children (AFDC), the nation's largest cash welfare program, with the "Temporary Employment Assistance" (TEA) program, this is largely a semantic exercise. Like AFDC, the ill-named Temporary Employment Assistance program would provide unlimited entitlement funding to States -- subject to State match -- to provide cash welfare benefits to needy families. Certain new restrictions would apply for individuals, but States would receive more Federal funds if more families move onto welfare, maintaining the current perverse incentive structure associated with AFDC.

For individuals, too, the Administration's proposal offers more of the status quo. H.R. 4, the Congressional welfare reform bill the President vetoed, treats families on welfare the same as working families, who are "guaranteed" only the paychecks they earn. H.R. 4 does so by ending the individual entitlement to Federal welfare benefits, which has resulted in average welfare stays of 13 years. Families today know they cannot lose welfare benefits for failure to work, and many have made a career out of welfare. In contrast, the Administration admits that its proposal "retains the guarantee of coverage under Aid to Families with Dependent Children." (White House "Fact Sheet," January 18, 1996)

The Clinton plan betrays its promise of broader State flexibility in many other ways. Unlike under H.R. 4, States would not have flexibility to limit benefits to fewer than five years, and States would be required to operate a highly prescriptive Federal Work First job training program. States must develop individual responsibility plans for every new welfare family, detailing benefits the State would have to provide to assist the family in preparing for work. Finally, States would have no new flexibility in operating child protection programs, and would have little authority to limit State and local welfare benefits for noncitizens.

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Issues Raised by Wisconsin Waiver
May 20, 1996

1. Cold turkey time limit
2. End of entitlement
3. Minimum wage
4. Benefit variation by family size
5. Due process
6. Reducing benefits below May 1988
7. Medicaid copayments
8. Child care copayment
9. No transitional child care

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Congress of the United States
House of Representatives
Washington, DC 20515

May 19, 1996

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

We welcome your remarks concerning the innovative welfare reforms proposed by Governor Tommy Thompson of Wisconsin. The Wisconsin proposal is very similar to the Republican welfare reform bill you vetoed last year, so we are heartened that your welfare position may have changed once again. However, because there are many differences between your current national welfare proposal and the position you seem to have taken yesterday concerning the Wisconsin proposal, there is ample ground to be confused about where you stand on national welfare reform.

We must remind you that actions speak louder than words. Nothing less than full approval of Wisconsin's waiver proposal in its entirety will demonstrate your lasting commitment to welfare reform. In addition, while your kind words concerning Wisconsin's proposal give the impression you support welfare reform, an analysis of your current national welfare proposal shows that what's good enough for Wisconsin is not good enough for the nation. Your national proposal runs in the opposite direction of Wisconsin's welfare reforms.

The need for welfare reform is clear. The American people are demanding it and the people on welfare must have it. We have already lost too many people to the destructive cycle of welfare where the average stay on the welfare rolls is 13 years. As a result of this cycle, far too many children are at risk, growing up in fatherless homes where they have never known a working adult.

We all agree that welfare reform must be accomplished, and while you have vetoed our two previous welfare reform proposals, we are willing to work with you once again on this important issue. Only through continuous, open dialogue can we begin to understand each other's positions and hopefully reach an agreement.

We have just completed a detailed analysis of the national welfare reform proposal contained in your 1993 budget plan, and we regret to say that we are deeply disappointed because your plan does not time limit welfare benefits nor does it require an adequate number of people to work for their welfare benefits. Your welfare reform proposal does little to encourage families to support themselves, it encourages continued welfare instead of work, and it perpetuates the misguided practice of providing welfare to non-citizens. Your bill also does nothing to stop the corrupt practice of paying welfare benefits to felons sitting in our nation's jails. Finally, your bill's continuation of inflexible federal controls guarantees that the worst features of today's failed welfare regime would continue indefinitely. We have outlined below our major concerns.

In short, your welfare proposal contains four fatal flaws.

1. Your welfare reform plan "proposes" a five-year time limit on cash welfare benefits, but it has so many exceptions few families would ever be affected. In addition, because of your mandatory voucher program, welfare will remain a Michigan habit, just as it is today.

Under your plan, few welfare recipients would ever reach the five-year time limit because your plan provides so many exemptions. Your exemption list is so exhaustive that the Congressional Budget Office has predicted that at least 25 percent of families on welfare would be considered exempt in any given month.

For those who actually do reach the five-year limit, your bill maintains the welfare entitlement and requires States to provide non-cash welfare vouchers indefinitely. Mr. President, you must realize that only by applying a real five-year time limit can we transform welfare into insurance against the worst of times, instead of the lifetime guarantee of increased benefits.

2. Instead of requiring work for welfare benefits, your plan allows families to avoid work for years and places sham "work requirements" on States.

Your plan requires States to set up education and training programs for every work-eligible parent who is not working within one year of coming onto welfare. After two years in these programs, you say that workers must work or lose welfare benefits. The catch? This requirement does not take effect until October 2003. Mr. President, we must act now if we are to save the most needy in our society, not wait six or seven more years by creating a major loophole that allows families to collect welfare without working.

In addition, by counting families that have left welfare and are now working as still on welfare, your bill artificially inflates state progress in moving welfare families into work. Under your plan, the natural flow of families off welfare means that States magically would be more than halfway towards meeting their required rates without even lifting a finger. You further discourage States from meeting this goal by failing to punish States that don't meet targets for moving families off welfare and into work. The result? The Congressional Budget Office has determined that your bill would require only half as many welfare families to work as H.R. 4, the Congressional welfare reform bill you vetoed in January. According to CBO, 1.3 million people will be required to work by the year 2002 under the Republican welfare proposal, while only 900,000 people will be working under your bill. We are deeply troubled by your loophole-ridden, liberal work "requirements."

3. Your plan continues the current system in which noncitizens and felons collect welfare despite our country's laws and traditions.

Everyone agrees that America is and will remain the land of opportunity for immigrants, but you would be hard-pressed to find support for allowing immigrants into the U.S. to go on welfare. Unfortunately, your proposal would continue this

abuse of taxpayers' and immigrants' best interests. For example, the number of noncitizens on Supplemental Security Income exploded from 127,906 in 1982 to 738,140 in 1994. While you have proposed initiatives that claim to curb such abuse, your plan only nibbles around the edges: the Congressional Budget Office estimates your proposal would prevent 89,000 noncitizens from collecting SSI benefits in 1998. In contrast, H.R. 4, the welfare reform bill you vetoed, honors the promise noncitizens made not to go on the dole, keeping more than 427,000 noncitizens from collecting SSI benefits in the same year and saving taxpayers a total of \$15 billion more than your bill.

4. Your plan maintains maximum Federal control over State welfare programs.

Even though your bill replaces Aid to Families with Dependent Children (AFDC), the nation's largest cash welfare program for poor families, with the "Temporary Employment Assistance" (TEA) program, this is largely a semantic exercise. Like AFDC, the TEA program would provide unlimited entitlement funding to States -- subject to State match -- to provide cash welfare benefits to needy families. Certain new restrictions would apply for individuals, but States would receive more Federal funds if more families move onto welfare, maintaining the current perverse incentive structure associated with AFDC.

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Your plan fails to provide State flexibility in many other ways, too. Unlike H.R. 4, under your bill States would not have flexibility to limit benefits to fewer than five years, and States would be required to operate a highly prescriptive federal "work first" (starting in FY 2006) job training program. States would be required to develop individual responsibility plans for every new welfare family, detailing benefits the State would have to provide to assist families in preparing for work. Finally, States would have little authority to limit State and local welfare benefits for noncitizens.

Mr. President, we remain hopeful that this year will be the final year of our nation's failed welfare system. Surely, those Americans who have lived on welfare from one generation to another deserve a chance to do better and to achieve more. However, after considering some of the key features of your plan, it is evident, despite your radio address, that there is still a long way to go before your actions match your words.

We look forward to taking action on national welfare reform this year and hope to have your support.

Sincerely,



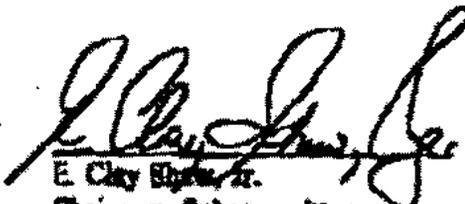
Newt Gingrich
Speaker of the House



Dick Army
House Majority Leader



Bill Archer
Chairman, House Committee on
Ways and Means



E. Clay Shaw, Jr.
Chairman, Subcommittee on
Human Resources, House
Committee on Ways and Means

175TH STORY of Level 1 printed in FULL format.

The Associated Press

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January 10, 1996, Wednesday, AM cycle

SECTION: Washington Dateline

LENGTH: 442 words

HEADLINE: Democrats, Republicans Agree Need Critical to Reform Welfare

BYLINE: By DIANE DUSTON, Associated Press Writer

DATELINE: WASHINGTON

BODY:

Welfare reform remains a critical need, despite President Clinton's veto of a bill to change the system, congressional leaders of both parties said Wednesday.

Republicans and Democrats alike said the issue is part of negotiations over balancing the budget.

Disputes still exist, however, over exactly how much money should be saved in the federal budget and how programs should be adjusted to achieve those savings.

Republicans were quick to blast the president for vetoing a bill they say would have met his 1992 campaign promise of "ending welfare as we know it."

"I'm not claiming our answer to welfare was perfect, but it did put an end to a failed system," said Majority Leader Bob Dole in a Senate speech, decrying Clinton's veto. "We'll try again in 1996."

Republicans argued vehemently that the bill accomplished what the president had said he wanted.

"Everything he promised in the presidential campaign is in this bill," said Rep. Clay Shaw, R-Fla., chairman of the House Ways and Means subcommittee that wrote the bill.

Nevertheless, the vetoed bill did not enjoy enough support in either chamber to enable Congress to override the president's decision.

And House Majority Leader Dick Armey, R-Texas, said Republicans at the lengthy White House budget negotiating sessions have already moved past the vetoed bill with a new figure on how much should be saved through welfare reforms.

"We've gone every inch we can go," Armey said, explaining that Republicans were willing to accept overall savings in welfare from the original Senate bill, which won 87-12 approval and White House support in September.

The Associated Press, January 10, 1996

The bill Clinton vetoed was a blended version of that measure and a more far-reaching House version.

Democrats aren't satisfied that the latest GOP savings offer is exactly what was in the original Senate bill, but they're optimistic welfare reform could be achieved.

Democrats propose \$ 43 billion in cuts from current welfare programs. Republicans have suggested about \$ 60 billion.

"We need to reform the welfare system and there is absolute agreement on that," said House Democratic Leader Dick Gephardt of Missouri.

"It can happen," said Senate Democratic Leader Tom Daschle.

They have to be convinced, however, that the legislation would have the provisions needed to actually get people to work through specific requirements on the states and programs like child care, for example, to support work efforts.

"It's silly to say to someone, 'You are going to have to go to work, but there is no child care available'," said Gephardt. "So you really leave them without the ability to make that choice come true."

LANGUAGE: ENGLISH .

LOAD-DATE: January 10, 1996

2/1/96

NOTE TO: Rahm Emanuel
Bruce Reed
Rich Tarplin

FROM: Sarah Gegenheimer

FYI --

Rep. Shaw held a press conference yesterday "to discuss his welfare reform plan and respond to the White House position." Shaw was joined by Reps. Hayes (LA), Dunn (WA), Deal (GA), Collins (GA), Camp (MI), and McCrery (LA), according to the House Ways and Means Committee press office. No press releases were issued in conjunction with the press conference, but the attached document entitled "Has the President Been 'Remarkably Consistent' on Welfare" was handed out.

Has the President Been "Remarkably Consistent" on Welfare Reform?
January 1996

<u>Date</u>	<u>Source</u>	<u>President Clinton said...</u>
Fall 1992	Campaign Advertisement	I have a plan to end welfare as we know it -- to break the cycle of welfare dependency. We'll provide education, job training and child care, but then those who are able must go to work...It's time to make welfare what it should be -- a second chance, not a way of life.
January 25, 1994	State of the Union Address	And just as we transform our unemployment system, so must we also revolutionize our welfare system. It doesn't work. It defies work. It defies our values as a nation...Can you believe that a child who has a child gets more money from the government for leaving home than for staying home with a parent or grandparent? That's not just bad policy, it's wrong. And we ought to change it.
June 21, 1994	White House statement	It is time to end welfare as we know it and replace it with a system that is based on work and responsibility.
January 24, 1995	State of the Union Address	I want to...pass welfare reform....So let this be the year that we end welfare as we know it.
March 24, 1995	White House statement after House passage of H.R. 4	I look forward to working with Republicans and Democrats in the Senate to pass real welfare reform that will make work and responsibility the law of the land.
September 19, 1995	Statement to the press after passage of the Senate bill	If welfare reform remains a bipartisan effort to promote work, protect children and collect child support from people who ought to pay it, we will have welfare reform this year and it will be a very great thing.
November 2, 1995	Interview with columnist Ben Wattenberg	I said I had not been pleased with his welfare reform bill, which I thought was soft and weak. He agreed, saying "I wasn't pleased with it, either." He said he should have introduced a welfare bill as soon as he saw that his health care program was in trouble....
January 23, 1996	State of the Union Address	The Congress and I are near agreement on sweeping welfare reform....I challenge this Congress to send me a bipartisan welfare reform bill that will really move people from welfare to work and do the right thing by our children. I will sign it immediately.

January 31, 1996

Washington
Post interview
"Clinton Says
Record Shows
'Remarkable
Consistency'"

On welfare reform, Clinton said he has not given up hope that a compromise bill acceptable to him will be approved this year. But he set a new price for his signature on a welfare system overhaul, asserting that the Senate proposal he indicated he would support last fall will have to be changed for him to support it now.

On December 6, 1995, the President vetoed the first welfare reform proposal sent to him by Congress, which was included in the Seven Year Balanced Budget Act. On January 9, 1996, the President vetoed the conference report on H.R. 4, the freestanding welfare reform bill.

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Daybook-Wed-General
The Associated Press

AP DAYBOOK, WASHINGTON, WEDNESDAY, JAN. 31

UPDATE: Welfare Reform

2:15 p.m. WELFARE REFORM HHouse Human Resources Subcommittee
Chairman Rep. Clay Shaw holds news conference to discuss his
welfare reform plan and respond to the White House position.

Location: H-137, Capitol.

Contact: Ari Fleisher, 202-225-8933.

APWR-01-31-96 1250EST

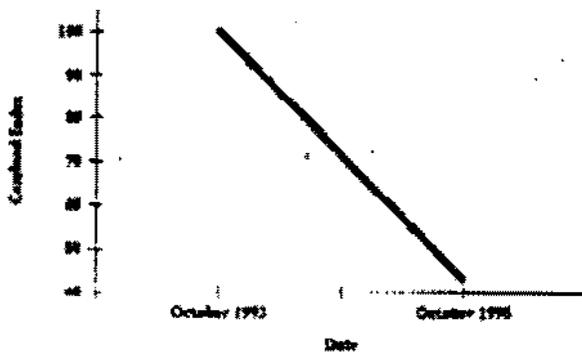
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A VOTE AGAINST WELFARE REFORM IS A VOTE FOR:

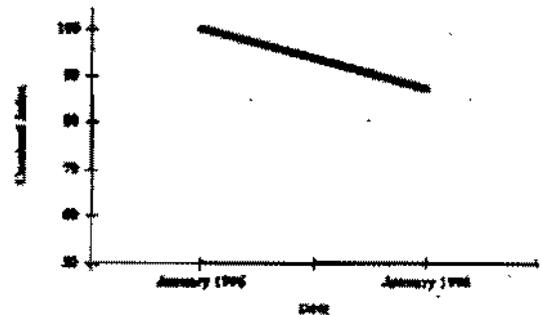
- Guaranteed welfare for parents who choose not to work.
- Guaranteed welfare for parents who have illegitimate children they expect others to support.
- Taxpayers getting the bill for welfare instead of parents providing child support.
- The status quo of long welfare spells averaging 13 years.
- Welfare continuing to be run from Washington, not from states and communities where help is best delivered.
- Allowing 100,000 drug addicts and alcoholics to retain their welfare entitlement.
- Allowing 200,000 children to continue receiving SSI "crazy checks" worth up to \$5,000 per year.
- Providing welfare to almost 2 million noncitizens who promised not to collect it.
- Forcing federal taxpayers to spend an extra \$50 billion on welfare.

WHEN STATES ENFORCE STIFF WORK REQUIREMENTS, WELFARE CASELOADS DROP

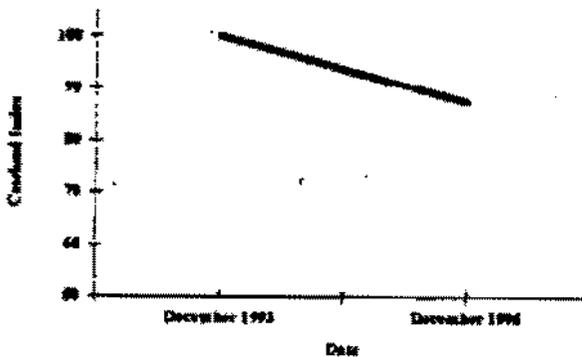
MASSACHUSETTS (Two-Parent Caseload)



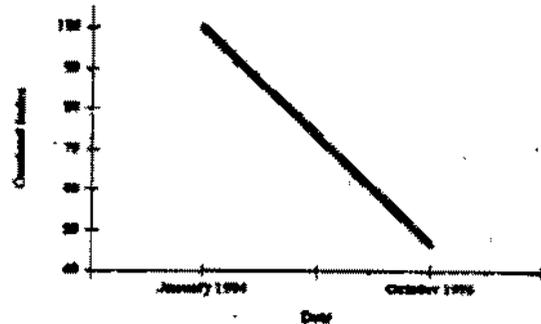
MICHIGAN (One-Parent Caseload)



WISCONSIN (One-Parent Caseload)



FOND DU LAC COUNTY (WISCONSIN) (One-Parent Caseload)



Date: 02/20/96 Time: 15:41
SWelfare Reform Proposal

To: National Desk, Political Writer

Contact: Mary Mead Crawford of the Republican National
Committee,
202-863-8550

WASHINGTON, Feb. 20 /U.S. Newswire/ -- Following is a statement
by Republican National Committee Chairman Haley Barbour:

In opposing the governors' welfare reform proposal, the liberal
left has unmasked the truth about its agenda: the left is against
any form of welfare reform. The only mystery remaining is whether
Bill Clinton will bow to the left and veto the proposal, or whether
he will, at last, quit breaking his word and fulfill his 1992
campaign promise to ``end welfare as we know it.''

Two weeks ago the nation's governors -- Democrats, Republicans
and an independent -- unanimously agreed on a proposal to reform
our failed welfare system. They incorporated into their plan about
three-fourths of the substance of the Republican welfare reform
bill that passed Congress twice, only to meet with Clinton's veto
both times.

More than 30 years of Washington ``compassion'' has trapped
millions of American families in lives of dependency, illegitimacy
and despair. The governors' proposal takes power and authority away
from bureaucrats in Washington, D.C., and gives it to the states --
the only place welfare reform has been tested and proven
successful. It permits states to require able-bodied recipients to
work, tailor benefits to the specific need of their people, and
remove the incentives for illegitimacy in the current system. It
measures compassion not by how many Americans are trapped on the
welfare rolls, but how many move off welfare rolls and onto
payrolls.

No Democrat governor, no matter how far left on the political
spectrum, found cause to oppose this proposal. Yet liberal groups
have decried it. Their reasons? They oppose turning authority away
from Washington bureaucrats and giving it to the states, despite
the successes states have achieved with genuine welfare reform.
They oppose allowing states to cut off benefits if able-bodied
people refuse to work. They oppose cutting back on federal
litigation by letting state courts hear eligibility appeals. They
oppose, quite simply, reform of any kind.

The liberal left supports perpetual welfare, even for
able-bodied people who refuse to work. The liberal left supports
keeping power and authority as far away from those who need welfare
as possible -- in the hands of Washington bureaucrats. The liberal
left wants the federal courts to dictate who should receive welfare
benefits and who shouldn't.

When the left opposed the welfare reform bill passed by
Congress, Bill Clinton -- the president who pledged to ``end
welfare as we know it'' -- showed his true liberal leanings and
vetoed the bill -- twice. Now the left opposes the welfare reform
proposal endorsed by all the nation's governors, making it clear
they are opposed to reform of any kind. Clinton has two choices. He
can do the right thing for the country, reverse his record of
reneging on his promises and support the governors' proposal to end
welfare as we know it, or he can do what some of his political
advisers would say is the right thing for his reelection campaign,
kowtow again to his liberal base and destroy any chance of genuine
welfare reform as long as he's in the White House. If he pursues
the latter course, he will bear sole responsibility for
perpetuating our failed welfare system.

*Bruce -
There are the
arguments.*

**Opening Statement of Chairman Clay Shaw
Human Resources Subcommittee
Hearing on Governors' Welfare Reform Proposal
February 20, 1996**

Now that the President has vetted two welfare reform bills, some think that welfare reform won't pass this year. I welcome the bipartisan group of governors here to prove them wrong. The nation owes these leaders a great deal. They rode into town during the darkest days of winter and breathed life back into a welfare reform debate that was on life support.

Not only does their proposal restore the promise of welfare reform, it reminds us of what's at stake if defenders of the welfare status quo win:

- Welfare will remain guaranteed to parents who choose not to work.
- Welfare will remain guaranteed for parents -- often still children themselves -- who have illegitimate children they expect others to support.
- Children will suffer because of fathers who walk out on them and mothers who are too young or too ill prepared to raise a child in the first place.
- Taxpayers will keep getting the bill for welfare instead of parents providing child support.
- The narcotic of welfare will continue to abuse poor families, whose welfare spells now average an incredible 13 years.
- Welfare will continue to be run from Washington, not from states and communities where help is best delivered.
- 100,000 drug addicts and alcoholics will keep cashing guaranteed "disability" checks thanks to a system that emphasizes cash, not treatment.
- 200,000 children will continue receiving SSI "crazy checks" worth up to \$5,000 per year.
- Almost 2 million noncitizens will collect welfare despite promising not to.
- Federal taxpayers will be forced to spend an extra \$50 billion on welfare and states untold billions more.

The charts in Members' folders list other casualties if welfare reform is stopped. It will be far more difficult for states to get people off welfare and into work. The Governors' proposal, like the welfare reform bills already vetoed by the President, would place tough work requirements, backed up by time limits, on every family on welfare in every state. Caseloads have fallen wherever these policies have been implemented, which the Governors before us will confirm. More families are working, fewer are depending on government handouts, and taxpayers are saving money. Best yet, thousands of children now see their parents as workers and providers, depending on themselves for success, not the government.

Who then would block such reforms? Already we have disheartening evidence that the primary opposition to this bipartisan plan comes from liberals who have opposed real welfare reform all along. They insist that welfare remain an entitlement, run out of Washington. These liberals don't trust the states. Despite the failures of the current federally-run welfare system, they cling to the belief that Washington knows best and that big government is the best government. Yes, some Republicans are concerned about the dilution of measures like the family cap, which is designed to reduce illegitimacy that traps millions of families in poverty for too long. But any state that wants a family cap can get one under this proposal, just as any state that didn't want a family cap could avoid one under H.R. 4. Fighting illegitimacy is a key goal of welfare reform and I am confident the Governor's bi-partisan approach will get the job done.

The real question that remains is, what is the view of Congressional Democrats and the Clinton Administration? Will they support this bi-partisan approach or will they go a separate way? Unfortunately, the President already has vetoed welfare reform twice. In addition, the Administration has chosen not to send a witness to today's hearing, so I really don't know where the Administration stands on this, their third opportunity to end welfare as we know it. Who doubts that if he were still governor, Governor Clinton would be on our first panel today, hailing this great bipartisan achievement? Where President Clinton is, however, we're just not sure.

I want to offer a message to my Democrat colleagues and to President Clinton. To the Democrats who sit on my left, in the best tradition of the Democrat party, you created today's welfare system believing it was the best we as a nation could do for our poor and our needy. You had your chance. You fought your fight. The fight has been lost. You meant well, but today's Washington-run, federally-controlled welfare system is a disaster. I say to you, let it go. Turn it over to the Governors and to the states where help can best be delivered. Washington can't do it. Break the entitlement and truly help the poor.

AP X2143 rw usnws On Welfare, Clinton Wears Emperor's Clo 02-27 4:41p

To: National Desk
 Contact: Mary Mead Crawford of the Republican National
 Committee,
 202-863-8550

WASHINGTON, Feb. 27 /U.S. Newswire/ -- Following is a statement
 by Republican National Committee Chairman Haley Barbour:

On welfare reform, Bill Clinton is wearing the emperor's
 clothes. After nearly four years of equivocating on welfare reform,
 it is now transparent where Bill Clinton's priorities lie. Not with
 the poor. Not with the disabled. But instead with liberal special
 interest groups who rely on the status quo for their very
 existence.

For four years, Bill Clinton has reneged on his campaign promise
 to "end welfare as we know it." He has offered no genuine reform
 plan of his own and manufactured excuse after excuse to preserve
 the abysmal welfare status quo, vetoing genuine reform twice in the
 past year. Now we learn he's about to offer yet another excuse,
 this time to stymie the welfare reform plan developed and endorsed
 unanimously by all the nation's governors -- Republicans and
 Democrats alike.

Clinton's Health and Human Services Secretary Donna Shalala is
 scheduled to testify to Congress tomorrow about the governors'
 welfare reform plan. A draft of her prepared testimony, as reported
 in today's New York Times, reveals that once again, excuses to
 reject reform will be the hallmark of Clinton's approach.

The documents reported on in the Times suggest Clinton will
 again try to pretend he favors welfare reform -- just not the
 particular kind of reform offered by the nation's governors. That's
 a familiar Clinton refrain -- we've heard it every time anyone has
 offered a genuine welfare reform plan.

Bill Clinton can continue to pretend he's for welfare reform. He
 can continue to pretend he has the best interests of the poor and
 the disabled in mind. But after all his excuses over all these
 years, the American people can see the truth: Bill Clinton is more
 interested in protecting the liberal special interests who depend
 on the status quo than in releasing millions of families from the
 cycle of dependency and despair fueled by the current failed
 system.

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/U.S. Newswire 202-347-2770/

Copy to
 Melissa,
 Wendell,
 Peter, M&B,
 Bruce Reed
 Rahm

Expectations high for panel targeting teen pregnancy

Critics fear emphasis on condoms

By Cheryl Wetzstein
THE WASHINGTON TIMES

Leaders of a new national campaign against teen pregnancy say they plan to reduce the teen-pregnancy rate by one-third by 2005, although they're not sure how.

"We're starting with a great deal of optimism, but not a great knowledge base," says Thomas Kean, former governor of New Jersey and chairman of the new National Campaign to Prevent Teen Pregnancy.

Critics surveying the 17-member board of directors of the new group expect another national push for contraceptives for kids:

"Every single person on [the board] leans more to a mixed message of 'use a condom' than the message of 'exercise self-control and abstain from sex until you're married,'" said Christine O'Donnell, spokeswoman for Concerned Women for America, a conservative family-advocacy group.

"We have the solution [to teen pregnancy]," Miss O'Donnell added. "We know if we all band together and tell these kids that it's OK to say 'no' — and not only is it OK, it is the best choice for them — we would see a great turnaround."

"I think that many of us have a prejudice toward abstinence," Mr. Kean said, when asked about how the campaign would deal with competing views on abstinence, sex education and condoms.

However, the campaign, in its mission statement, promises to be "inclusive."

"[N]o single approach to reducing teenage pregnancy has been shown to be effective in all situations, and tolerance for a variety

of reasonable strategies is essential," it said.

The teen-pregnancy issue, the statement noted, "often attracts strong feelings and strident disagreements."

The campaign against teen pregnancy claims its origins in President Clinton's 1995 State of the Union pronouncement that teen pregnancy is "our most serious social problem."

Meetings of leaders in government, media, entertainment, youth and pregnancy-related programs, academia, social science, research, foundations and religious circles produced an agreement that a public campaign was needed — but that it should be independent of government, nonpartisan and privately funded.

News of the campaign was unveiled at the White House on Jan. 29, when Mr. Clinton announced that Dr. Henry W. Foster Jr., the former candidate for surgeon general, would act as an unpaid adviser and liaison between the group and the White House.

The campaign has an office at the Urban Institute in Northwest Washington, is a tax-exempt, nonprofit organization and is trying to raise \$4 million for its projects for the first three years.

"We're making good progress" and should be ready for a public launch in two- to three months, Urban Institute senior fellow Isabel V. Sawhill, the campaign's president, said last week.

The campaign has established task forces with several goals, including:

- Reducing the teen-pregnancy rate by one-third by 2005. (In 1991, the pregnancy rate for girls age 15-17 was 74.6 per 1,000. Among the under-15 group, it was 6.3

pregnancies per 1,000 girls in 1980, 6.9 by 1985 and 7.1 by 1990, according to a federal report published in yesterday's *Journal of the American Medical Association*.)

- Acquiring more accurate and complete data on teen pregnancy and effective interventions.

- Identifying and repeating programs that are successful in reducing teen pregnancy.

- Getting national, state and local leaders to take a stand against teen pregnancy.

- Getting the media to promote the message.

- Leading a national discussion on what role religion, culture and public values have in the teen-pregnancy issue.

"We are taking the stand that teen-age pregnancy is wrong — that it hurts not only the teen-ager who gets pregnant, but it hurts some young man who participated ... and it's tragic for the baby that results," says Mr. Kean, who is president of Drew University in Madison, N.J.

One task force will look at how to get leaders "to simply take a stand ... and come out and say this is unacceptable behavior," he said.

Another task force will look for programs that have measurable success in reducing teen pregnancy and can be replicated.

"We don't care whether they're

run by the church or the communities. We just want to know what's been effective," Mr. Kean says.

William Galston, a former domestic-policy adviser for the Clinton administration, will lead the task force on religion and values; Kristin A. Moore, executive director of Child Trends Inc., will lead the panel on research and effective programs; and Barbara Huberman of Advocates for Youth will handle the state and community coalitions team.

A media task force will focus on getting out public service announcements and influencing programming changes, Miss Sawhill says. Jody Greenstone Miller, senior vice president of Americast, a Disney-affiliated company in Los Angeles, will head up that effort.

"There are as many as three examples of gratuitous sex on hour on some [TV] shows," Mr. Kean says. Such shows give the impression that sex has no consequences and "we'd like to enlist the media to address that."

Still, some of the campaign's themes worry conservative observers.

Its mission statement, for example, says it will try to "prevent teen pregnancy by supporting values and stimulating actions that are consistent with a pregnancy-free adolescence."

One obvious way to reduce pregnancies is to have more abortions, which is neither a desirable outcome nor a solution to the problem, several observers said.

"Our hope would be that they would look beyond teen pregnancy to teen sexual activity as they look at programs as answers to this ter-

rible problem," says Kristi Hamrick, spokeswoman for the Family Research Council, which promotes abstinence.

Research has shown that the "two best indicators" that teens will delay onset of sexual activity have been parental involvement and an active religious faith, she said.

"From our point of view," Mrs. Hamrick said, "the worst thing that could happen would be for us to throw away all the good working models [for pregnancy prevention] in favor of a knee-jerk condom-distribution plan. I certainly hope that's not where they're going."

The 17-member board is complete for the moment, but the campaign expects to eventually have a "prestigious national board of 25 to 30 members," a parent-advisory board and teen-advisory panel.

Board members who have taken public positions on issues related to pregnancy include:

- Former Surgeon General Dr. C. Everett Koop, who has opposed abortion but supported condoms as a way to prevent AIDS.

- Sen. Nancy Kassebaum, Kansas Republican, who is viewed as being an abortion-rights supporter.

- Actress Whoopi Goldberg, who had her first abortion at the age of 14, had six or seven by the age of 25 and has said birth-control pills did not work for her.

Actress Jane Fonda, who began the Georgia Campaign for Adolescent Pregnancy Prevention in Atlanta, is not on the board, Mr. Kean says, "but she's been very active [on the issue], and we hope to work with her."

This opening act has many positively giddy with expectations

By Karen Goldberg
THE WASHINGTON TIMES

BALTIMORE — At last, after two strike-shortened seasons, Baltimore Orioles fans only had a one-day delay for the 1996 season.

It was worth the wait. Monday's torrential rains — which caused the Orioles to postpone their opener for the first time since 1972 — gave way to cool breezes and sunny skies yesterday, and a capacity 46,818 watched as the Orioles beat the Kansas City Royals 4-2 at Camden Yards.

The optimism that comes with Opening Day was more effusive than usual in Baltimore — and with good reason. The team has a

new manager, Davey Johnson, who joins Mike Devereaux and Billy Ripken as former Orioles coming back into the fold. The big offseason acquisitions of Roberto Alomar, Randy Myers, Roger McDowell, Kent Mercker, David Wells and B.J. Surhoff have made the Orioles a preseason contender for the American League playoffs.

"I'm already getting my playoff tickets," said Orioles fan Steve Rager of Laurel. "It's going to be a good season. You can always think big on Opening Day, but I think the expectations might even be a little too high. I don't want to put too much pressure on them."

Then Rager thought it over. "We'll at least be wild cards," he

surmised.

Baltimore's 1996 season began under high security as President Clinton tossed out the first pitch. It was the second time Clinton threw out the first ball (he had the honor in 1993, when the Orioles lost to the Texas Rangers 7-4). He also visited Camden Yards on Sept. 6 for Orioles shortstop Cal Ripken's 2,131st game.

Clinton wore a black and orange Orioles jacket as he threw a respectable pitch to Baltimore catcher Chris Hoiles.

Before the game, there also was a moment of silence in memory of National League umpire John McSherry, who died Monday after suffering a heart attack during the

Cincinnati-Montreal game.

The attention on Ripken was only slightly less focused than it was during the frenzied 1995 season, when he broke Lou Gehrig's consecutive games streak. Ripken obliged a few fans by signing autographs before the game, which, if you are still counting, was No. 2,154 for the shortstop. Ripken received a standing ovation during the pre-game introductions.

Ripken drove in the first three Orioles runs. His first-inning single off Royals starter Kevin Appier gave Baltimore a 2-0 lead. His single to the gap in short center with two outs in the third plated Bobby Bonilla and broke a 2-2 tie. Surhoff's eighth-inning double

gave the Orioles their final run.

"I hit two balls off the end of the bat and they both wound up in center field," said Ripken. "The second worked out . . . it was one of those rare times when you can drive someone in on a single.

"It was a nice start," added Ripken. "We had a good spring training and I think we have the nucleus of a good ballclub. But we are a group of new people, and it might take some time."

Johnson liked what he saw. The Orioles' new manager played for the club from 1965 to 1972. He has had Opening Days as a manager with the New York Mets (1984-90) and the Reds (1993-95), but John-

son said yesterday that this will be the only Opening Day he will remember.

"I've had capacity crowds in New York and decent crowds in Cincinnati, but this was special," said Johnson. "It gave me chills. I didn't know how to act. I could hardly hold it in. I'm not one to dream, but if I had a dream job, this would be it."

The victory was the 800th for Johnson, but his first in the American League.

"There couldn't be a better way to start it off," said Johnson. "It was a great win for the Orioles and a great win for the city. Hopefully, there will be more to come."

COMMITTEE
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February 27, 1996

Dear Friend:

America is losing the war on poverty. Our current welfare program is a dismal failure. After 30 years and \$5 trillion of your tax dollars, it's time to scrap the old system and develop a whole new approach.

Just look at the facts . . .

- * The number of children living in households dependent on welfare has tripled in 30 years from 3.3 million to 9.6 million.
- * There has been an explosion in the number of mothers, many of them children themselves, having children out of wedlock. A 326 percent increase in 30 years.
- * In our nation's inner cities, two-thirds of the children born last year were born out of wedlock.
- * The number of unmarried pregnant teens has nearly doubled and teen suicide has more than tripled over the past 30 years.
- * Crime rates have soared.
- * And perhaps most disturbing of all, the current welfare system has fostered a social and economic underclass that views welfare as a permanent way of life, not a temporary helping hand. Today, the average welfare recipient collects benefits not for a few months or even a few years, but for 13 years.

Too many welfare recipients consider their welfare check an entitlement, while working Americans are forced to pay higher and higher taxes to fund the failed program.

As the welfare rolls have exploded, the burden on taxpayers has become enormous. Between 1965 and 1993, spending by federal, state and county governments for welfare increased by 700 percent from \$38 billion to \$324 billion.

As spending on welfare has increased, a giant and inefficient bureaucracy has been

created. Out of every dollar earmarked to pay for welfare services for children, 32 cents is gobbled up by the bureaucracy, leaving only 68 cents to help raise and care for children.

Today's welfare program is condemning generations to live in poverty, while robbing children of any opportunity to realize the American Dream.

In November, Congress voted to end welfare as we know it. Our legislation would replace welfare with a program that promotes some basic, common-sense values - *work, education, personal responsibility and family values.*

The major features of this new program would:

- * Put an end to welfare as a way of life. Able-bodied beneficiaries would have to work for their benefits. No one would be able to collect benefits for more than five years over their lifetime.
- * Stop allowing mothers on welfare to automatically receive extra benefits for giving birth to additional children. This would help discourage recipients from having children they can't afford to raise.
- * Require that an unwed teenage mother stay in school and under the supervision of a parent or adult guardian in order to collect benefits. This provision would remove the current incentive for those teenagers who get pregnant just so they can move out of their parent's home.
- * Provide financial incentives to those states that successfully reduce the number of illegitimate births without increasing the number of abortions.
- * Stop the practice of providing welfare-disability benefits to those who abuse their bodies with drugs and alcohol. No longer would your tax dollars be used to subsidize an individual's addiction.
- * Turn money, power and responsibility for welfare programs over to states through block grants which would give states the flexibility to structure services that will best serve their local constituents.

A number of states have demonstrated that through creative local leadership, we can turn the tide on welfare dependency.

Wisconsin, for instance, has been able to move 27 percent of its welfare clients off public assistance and into productive, independent lives.

While the welfare rolls have been growing in other states, Massachusetts has reduced the number of people on welfare from 114,000 in 1992 to 89,000 today, by putting people to work and saving taxpayers more than \$160 million a year.

Now Governor Whitman has developed an innovative welfare reform plan for New Jersey.

Our welfare reform legislation would enable Governor Whitman and other governors to move forward with welfare programs that best suit the needs of their citizens without the endless delays and bureaucratic red tape built into the current system.

The need to change welfare has not been a partisan issue. For years, both Democrats and Republicans have been denouncing the failures of the welfare system.

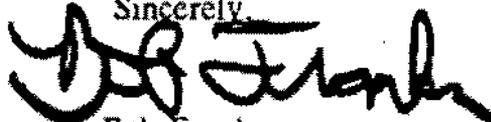
That's why it was a tremendous disappointment when President Clinton, who vowed to "end welfare as we know it" vetoed welfare reform. By doing so, he is requiring taxpayers to continue to send their hard-earned tax dollars to support a system that leaves millions of Americans dependent on a monthly handout with little hope of ever living self-sufficient, productive lives.

All of us need to have compassion and sympathy for those of our neighbors who have fallen on hard times and need a helping hand. But we shouldn't use taxpayer dollars to continue to feed the current welfare machine which subsidizes dependency, illegitimacy and a total lack of personal responsibility.

President Clinton's veto of Congress' welfare reform program can't be the last word on this issue. To save the next generation of children from being trapped in poverty, as well as to stop throwing billions of tax dollars into a failed system, we must reach an agreement with the President.

I welcome your comments on this or any other issues facing the federal government.

Sincerely,



Bob Franks
Member of Congress

The President. It worked. It took a few years, but it worked finally. On my daughter's 8th birthday, her grandmother's present was that she quit smoking.

Ms. Ellerbee. Mr. President, do you have any final thoughts for kids on this issue?

The President. You young people cannot believe the potential influence you can have. You can ask adults the kind of hard questions you asked me. You can encourage every adult you care about and love to stop smoking. You can make it so that the cool thing to do is not to smoke instead of to smoke.

And you know, none of us are going to live forever, but you have the choice to maximize, to increase the chances of your living a long and full life. This is a choice you can make. The smoking choice is a choice you can make. It's totally within your control.

And I just want to encourage you. I'll do what I can, but I want to encourage you to do everything you can to get everybody you know to remain smoke-free. I think that is—that's the answer. And you can do it. We can change this country if we do it together.

NOTE: The President's remarks were recorded at 12:10 p.m. on December 12 for broadcast at 8 p.m. on January 9. Linda Ellerbee is the host of "Nick News" on Nickelodeon.

Statement on the Death of Ambassador M. Larry Lawrence *January 9, 1996*

I was deeply saddened to learn of the death today of our Ambassador to Switzerland, M. Larry Lawrence. Larry was a good friend and a valued colleague who brought his abundant energy and fresh vision to every task he undertook. As Ambassador in Switzerland, he was a tireless and effective advocate of U.S. interests, especially the promotion of U.S. exports and commercial ties. Larry's service to his country did not begin with his diplomatic assignment. During World War II, at the age of 18, he volunteered for the merchant marines. He was wounded when his ship was sunk by enemy torpedoes in arctic waters. Many years later, Larry was decorated with the Medal of Valor by the Government of the Russian Federation.

Larry's civilian life showed the same courage and resolve. As an entrepreneur, he restored the Hotel del Coronado, one of the west coast's outstanding architectural landmarks. Larry's quiet philanthropy also touched many lives. He believed passionately in education for women; the scholarships he endowed for minority women at the University of Arizona represent a lasting contribution. Hillary joins me in expressing our deepest sympathy to Larry's wife, Shelia, and to his children. We will miss him.

Statement on the Death of Former Representative Mike Synar *January 9, 1996*

Hillary and I were deeply saddened to learn this morning of the death of former Oklahoma Congressman Mike Synar. Mike Synar was a brave and unflinching public servant who in tough political times remained true to his principles. He did not always do what was popular, but he always did what he thought was right—for Oklahoma and for America. Throughout his life, and especially during the past 6 months, Mike Synar was a true profile in courage.

Hillary and I will miss him. Our thoughts and prayers go out to his family and friends at this difficult time.

Message to the House of Representatives Returning Without Approval the Personal Responsibility and Work Opportunity Act of 1995 *January 9, 1996*

To the House of Representatives:

I am returning herewith without my approval H.R. 4, the "Personal Responsibility and Work Opportunity Act of 1995." In disapproving H.R. 4, I am nevertheless determined to keep working with the Congress to enact real, bipartisan welfare reform. The current welfare system is broken and must be replaced, for the sake of the taxpayers who pay for it and the people who are trapped by it. But H.R. 4 does too little to move people from welfare to work. It is burdened with deep budget cuts and structural changes that fall short of real reform. I urge the Congress

to work with me in good faith to produce a bipartisan welfare reform agreement that is tough on work and responsibility, but not tough on children and on parents who are responsible and who want to work.

The Congress and the Administration are engaged in serious negotiations toward a balanced budget that is consistent with our priorities—one of which is to “reform welfare,” as November’s agreement between Republicans and Democrats made clear. Welfare reform must be considered in the context of other critical and related issues such as Medicaid and the Earned Income Tax Credit. Americans know we have to reform the broken welfare system, but they also know that welfare reform is about moving people from welfare to work, not playing budget politics.

The Administration has and will continue to set forth in detail our goals for reform and our objections to this legislation. The Administration strongly supported the Senate Democratic and House Democratic welfare reform bills, which ensured that States would have the resources and incentives to move people from welfare to work and that children would be protected. I strongly support time limits, work requirements, the toughest possible child support enforcement, and requiring minor mothers to live at home as a condition of assistance, and I am pleased that these central elements of my approach have been addressed in H.R. 4.

We remain ready at any moment to sit down in good faith with Republicans and Democrats in the Congress to work out an acceptable welfare reform plan that is motivated by the urgency of reform rather than by a budget plan that is contrary to America’s values. There is a bipartisan consensus around the country on the fundamental elements of real welfare reform, and it would be a tragedy for this Congress to squander this historic opportunity to achieve it. It is essential for the Congress to address shortcomings in the legislation in the following areas:

- *Work and Child Care:* Welfare reform is first and foremost about work. H.R. 4 weakens several important work provisions that are vital to welfare reform’s

success. The final welfare reform legislation should provide sufficient child care to enable recipients to leave welfare for work; reward States for placing people in jobs; restore the guarantee of health coverage for poor families; require States to maintain their stake in moving people from welfare to work; and protect States and families in the event of economic downturn and population growth. In addition, the Congress should abandon efforts included in the budget reconciliation bill that would gut the Earned Income Tax Credit, a powerful work incentive that is enabling hundreds of thousands of families to choose work over welfare.

- *Deep Budget Cuts and Damaging Structural Changes:* H.R. 4 was designed to meet an arbitrary budget target rather than to achieve serious reform. The legislation makes damaging structural changes and deep budget cuts that would fall hardest on children and undermine States’ ability to move people from welfare to work. We should work together to balance the budget and reform welfare, but the Congress should not use the words “welfare reform” as a cover to violate the Nation’s values. Making \$60 billion in budget cuts and massive structural changes in a variety of programs, including foster care and adoption assistance, help for disabled children, legal immigrants, food stamps, and school lunch is not welfare reform. The final welfare reform legislation should reduce the magnitude of these budget cuts and the sweep of structural changes that have little connection to the central goal of work-based reform. We must demand responsibility from young mothers and young fathers, not penalize children for their parents’ mistakes.

I am deeply committed to working with the Congress to reach bipartisan agreement on an acceptable welfare reform bill that addresses these and other concerns. We owe it to the people who sent us here not to let

this opportunity slip away by doing the wrong thing or failing to act at all.

William J. Clinton

The White House,
January 9, 1996.

Remarks Prior to a Cabinet Meeting and an Exchange With Reporters

January 10, 1996

The President. Hello, everybody. Is everyone in here? Well, first, let me say that we're having this Cabinet meeting to discuss the present status of our budget negotiations and where we are. As I have said all along, I am for balancing the budget in 7 years, but I want to protect the fundamental priorities of the American people and the future of the American people. We can balance a budget in 7 years, according to the Congressional Budget Office, without having dangerously low levels of commitment to Medicare and Medicaid, without having big cuts that undermine our commitments in education and the environment, without raising taxes on working families.

Now, that's what the Congress said they wanted. I've got this letter here from Congress, a letter from Congress to the Speaker saying that the budget we submitted in fact balances the budget in 7 years. The differences between these two budgets are now clear. We do not want to fundamentally change the commitment of the Medicare program to the health care of seniors. We do not want to fundamentally change the commitment of the Medicaid program to senior citizens, to poor children, to the disabled. We do not want to adopt a level of investment that makes it certain that we will have to turn our backs on the needs of education or the environment.

That is what this is all about. We can even have a modest tax cut for the American people, and for families especially, and balance the budget in 7 years according to the Congressional Budget Office. That's what this letter says. They agree now, so the only differences left between us are ideological differences.

And I said in the beginning, let me say again: If the objective is to get a 7-year bal-

anced budget that Congress says is balanced, we can do that. If the objective is to get a modest tax cut, we can do that. If the objective is to dismantle the fundamental American commitments through Medicare and Medicaid or to undermine our obligations in education and the environment, I will not do that.

That is basically where it is.

Budget Negotiations

Q. Mr. President, it seems like that what's being said here today and also with what's being said on Capitol Hill, that despite all of the good will that was apparent here yesterday, this really was a breakdown in the talks. You're very far away, and it sounds like you're not getting any closer together in this break.

The President. We're not—we're only very far away if you turn this into—if you insist on a tax cut which requires unacceptable levels of cuts in education and the environment and Medicare and Medicaid or you insist on fundamentally changing those programs in ways that will erode the protections that Medicare and Medicaid now give to seniors and to poor children and to disabled people or you insist on cuts in education that will cut back on scholarships or Head Start or you insist on cuts which will really weaken our ability to protect the environment. If that's the deal, it's reconciling not only the level of cuts—it's not just the money here, I want to emphasize that. It's the policy.

The Republicans—if I might, let me just take Medicare for an example, just for example. The Republicans and I agree that there should be changes in the Medicare program to encourage more seniors to have more options to join managed care programs. And we agree on a number of other provisions that should be changed that will strengthen Medicare and give more options to our senior citizens.

I do not agree with changes that I think will, in effect, break up Medicare and put more and more seniors at the mercy of the present private insurance system so that the older and lower income and sicker you are, the more at risk you are. I don't want to do that.

Outline of Republican Welfare Reform Bill
November, 1993

Outline of Bill

- Title I: AFDC Transition and Work Program
- Title II: Paternity Establishment
- Title III: Expansion of Statutory Flexibility for States
- Title IV: Expansion of State and Local Flexibility
- Title V: Child Support Enforcement
- Title VI: Welfare Restrictions for Aliens
- Title VII: Controlling Welfare Costs
- Title VIII: Consolidated Block Grant to States for Nutrition Assistance
- Title IX: Miscellaneous

Title I: AFDC Transition and Work Program

A. AFDC Transition Program (first 2 years on AFDC)

1. Program outline. At the time of AFDC enrollment, families are referred to the AFDC Transition Program in which they are expected to work or prepare for work:
 - a. at state option, participation in the AFDC Transition Program can begin after 1 year for some or all recipient families defined as job ready by states;
 - b. recipients and the welfare agency create a written plan describing what each must do so the parent can prepare for work; the written plan must include the statement that after 2 years (or less at state option) parents who have not secured paid employment must work in exchange for their AFDC benefit;
 - c. states, in consultation with the Secretary, establish the guidelines by which participation is defined; states can set their own guidelines within the following framework:
 - 1) the general rule, to which education is an exception (see below), is that families must participate at least 520 hours per year, although states have flexibility in how the 520 hours is achieved (e.g., 100% time for 3 months, 50% time for 6 months, or 25% time for 12 months fulfills the requirement);
 - 2) within 12 months of enactment, the Secretary must publish rules about how education hours are counted; the guiding principle should be that meeting whatever a given educational institution (including certified professional training schools and certified degree-granting programs) considers full-time enrollment, and maintaining at least minimum passing evaluations, counts as participation;
 - 3) in two-parent families, at least one parent

- must meet participation requirements; states have the option of requiring participation by both parents;
- 4) parents can use the 6-month birth exemption (see below) only one time; if a subsequent child is born while the parents are on AFDC, only the 4-month exemption is in effect;
 - d. all the programs authorized in section 482(d) of the Social Security Act (education, job skills, job readiness, job development and placement, group and individual job search, on-the-job training, work supplementation, community work experience) count as participation under the AFDC Transition program.
2. Sanctions. Participants who fail to meet the criteria for participation are sanctioned as follows:
- a. for the first offense, the combined value of the family's AFDC benefit and Food Stamp benefit is reduced by 25% until the parent complies and at least 3 months have elapsed; if 3 months elapse and the recipient has not complied, then the recipient is deemed to have started the second offense period;
 - b. the sanction for the second offense is similar to the first except that in addition to complying with the criteria, at least 6 months must elapse before benefits are restored; if the recipient has not complied within 3 months, then the recipient is deemed to have entered the third offense period;
 - c. for the third offense, the family is dropped from AFDC altogether;
 - d. when families are dropped from AFDC, they retain Medicaid, Food Stamps, and any other benefit for which they are otherwise eligible.
3. Exemptions.
- a. incapacitated, as currently defined in regulations (not including drug and alcohol offenders);
 - b. at state option, those enrolled in drug and alcohol abuse programs (with a 12-month limitation);
 - c. during a 6-month period in which a recipient gives birth to the first child born after the recipient participates in AFDC (divided as the recipient selects between the pre-natal and post-natal periods);
 - d. during a 4-month period in which a recipient gives birth to the second or subsequent child born after the recipient participates in AFDC (divided as the recipient selects between the pre-natal and post-natal periods);
 - e. during a 2-month period following the return home of a child who had been removed from the home;

- f. during the period in which full-time care is provided for a disabled dependent.

4. Participation Requirements.

- a. participation standards are computed separately for the Transition Program and the Work Program;
- b. new participation standards apply to applicants for FY 1996 and 1997; the standard for 1996 is 30 percent; the standard for 1997 is 40 percent;
- c. beginning in 1998, participation standards apply to the entire caseload (not just applicants); the standard in the Transition Program is 50 percent in 1998, 60 percent in 1999, 70 percent in 2000, 80 percent in 2001, and 90 percent in 2002;
- d. to the extent possible, states are encouraged to fulfill their participation standards by focusing their efforts on mothers with school-age children.

- B. AFDC Work Program. If parents have not found a job after two years, they must participate in a work program established by the state

1. Program Outline.

- a. most states now conduct a Community Work Experience Program (CWEP) in which parents work, usually in a public sector job, for the number of hours equal to their AFDC benefit divided by the minimum wage; the current CWEP hours requirement is rewritten to mandate that recipients work for 35 hours per week;
- b. states can also require participation in the Work Supplementation program in which the AFDC benefit is used to subsidize a private sector job;
- c. reforms to the Work Supplementation program include:
 - 1) elimination of the requirement that all jobs must be new jobs;
 - 2) creation of new financial incentives for states to use the program:
 - recipients participating in the Work Supplementation program must be paid a salary at least equal to their AFDC plus food stamp benefits;
 - states can negotiate arrangements with employers to pay enough of the salary that some part of the value of the AFDC benefit will not be required to reach the AFDC plus Food Stamp minimum; in these cases, states can continue to request the federal share of the AFDC benefit as if the entire benefit were still being paid by state funds (this provision has the effect of allowing states to keep the entire amount by which the

employer-provided salary "buys out" the AFDC benefit);

- d. states can create a new work program, subject to approval by the Secretary, that combines features of CWEP and Work Supplementation or uses entirely new approaches developed by the state;
 - e. after 3 years of participation in the work program (and a total of 5 years on AFDC), states have the option of dropping recipients from the AFDC rolls; recipients would continue to be eligible for Medicaid, food stamps, and other benefits.
2. Sanctions. Same as above
 3. Exemptions. Same as above
 4. Participation requirements.
 - a. the Work Program begins for applicants in 1996; states must include at least 30 percent of their nonexempt caseload in their Work Programs in 1996;
 - b. the participation standard for applicants then increases to 40 percent in 1997, 50 percent in 1998, and 60 percent in 1999;
 - c. beginning in 2000, participation standards apply to the entire caseload (rather than just applicants); the standards are 70 percent in 2000, 80 percent in 2001, and 90 percent in 2002;
 - d. the denominator for this calculation for each fiscal year is the number of nonexempt participants who have been on AFDC for at least 2 years on the first day of the fiscal year.
- C. Work Program for Two-Parent Families. At least one parent in two-parent families on AFDC must be required to work 32 hours per week and engage in job search for 8 hours per week. States are required to pay the combined AFDC-Food Stamp benefit in cash and only after the completion of the work requirement for any given period. If the work requirement has been only partially met, states must proportionately adjust the AFDC-Food Stamp payment level.
- D. State Option to Limit AFDC Two-Parent Program. Some states currently have the option of providing the AFDC Two-Parent program to qualified families for only 6 months in a given 12-month period; this option is extended to all states. (Current law prohibits about half the states from using the 6-month option).

E. Work Program for Fathers. Fathers of children on AFDC must either pay child support or participate in a work program:

1. Fathers who are the equivalent of 2 months in arrears on their child support, unless they are following a court-approved plan for repayment, must participate in this program.
2. States can design their own programs, but their program must include at least the following three elements:
 - a. initial contact with the father must include a letter that informs him he must pay child support, that he should contact the child support office, and that he is subject to fines and penalties if he does not cooperate;
 - b. if the father does not pay child support within 30 days he must be enrolled in a job search program for between 2 and 4 weeks;
 - c. if the father still does not pay child support within another 30 days, he must be enrolled in a work program for at least 35 hours per week (30 hours if the program also requires job search).
3. The work program participation standards outlined above for the Transition and Work Programs apply to the work program for fathers; the denominator for calculations is the number of fathers with children on AFDC who do not pay child support.
4. Only incapacitated fathers are exempt.

Title II: Paternity Establishment

- A. If the paternity of any dependent named on an AFDC application has not been legally established, the mother must provide the name of the father or fathers to AFDC officials as part of the application process:
 1. if the mother does not provide a name, her family is not eligible for AFDC benefits for that child; if there is only one child, then the family will be denied all AFDC benefits;
 2. if the mother is not certain who the father is, she must name all the men (but not more than 3) she thinks could be the father;
 3. in the case of families with one child, once the mother has provided the father's name, the family is eligible for an AFDC cash benefit for a 1-person family;

4. in the case of families that have at least one child for whom paternity has been established and at least one child for whom paternity has not been established, the family will receive an AFDC benefit equal to the size of family that includes only the child or children for whom paternity has been established.
- B. After giving the father's name, the mother must cooperate with the state child support enforcement agency to establish paternity:
1. once paternity is legally established, the family is eligible for the full AFDC benefit for a family of that size;
 2. if the child support agency finds that the man named by the mother is not the father, the mother and children are dropped from the rolls until paternity is established;
 3. in the case of a family with more than one child at least one of which has paternity established, a false name will still result in the entire family being dropped from the rolls.
- C. States must require all officers and employees of the state, upon first recognizing that an unwed woman is pregnant, to inform her that:
1. she will not be able to receive AFDC benefits until she identifies the father, and
 2. she should do whatever is necessary to get the father to acknowledge paternity as soon as possible.
- States are encouraged to develop procedures in public hospitals and clinics that facilitate the acknowledgment of paternity.
- D. States must develop procedures, in consultation with the Secretary, to handle cases in which mothers claim the father is dead. State procedures should be based on the principle that the burden of proof is on the mother.
- E. The mother is exempt from these requirements if her pregnancy was caused by rape or incest or if the state concludes that pursuing paternity will result in physical harm to the parent or child.

- F. States are required to follow the provisions outlined above unless the state passes a law specifically declaring that the state wants to exempt itself.
- G. The state paternity establishment requirement of 75 percent in current law is increased to 90 percent. States under 90 percent must increase by 6 percent each year if their percentage is over 50 percent and 10 percent each year if their percentage is under 50 percent.

Title III: Expansion of Statutory Flexibility for States

- A. States can convert AFDC to block grant. States have the option of taking the amount of federal reimbursement they received under Title IV-A in 1992, plus a one-time inflation adjustment of 3 percent, as a fixed annual cash payment rather than continuing in the current AFDC program. States electing this option must present an annual report to the Department of Health and Human Services showing that all the money from the block grant was spent to help poor and low-income families.
- B. No AFDC for minor parents under age 18. States may refuse AFDC benefits if the mother or father of the dependent child is a minor as defined by state law. If minor parents are married, they can qualify for the state AFDC program for 2-parent families. States can decide not to follow this provision by passing a state law specifically exempting themselves.
- C. AFDC benefit levels for new state residents. States have the option of providing new residents of their state with the same level of AFDC benefits as provided by the state from which the residents moved. This level of benefits can be provided for no more than 1 year.
- D. Sanctions for school attendance. Families with school-age children who attend school less than some state-established minimum without good cause can be subject to a sanction of up to \$75.00 per child per month. Good cause is defined by states in consultation with the Secretary. Minor parents receiving AFDC who have not graduated from high school are also subject to this provision.
- E. No additional money for more children. States are not required to pay any additional benefits for children born 10 months after the date of application for AFDC. States can, but are not required to, allow exceptions for families: a) that leave AFDC due to earnings for at least 90 days if employment is terminated for good cause, and/or b) that remain off AFDC for 12 consecutive months. States

can decide not to follow this provision by passing a law specifically exempting themselves.

- F. Change work disregards within limits. States are permitted to replace the current Federal rules for disregarding income in setting AFDC benefit levels. The current 4-month \$30 and 1/3 rule can be changed as a state wishes but the changes can be no more generous than the equivalent of permanently disregarding the first \$200 of family earnings plus 1/2 of the remainder.
- G. Married couple transition benefit option. States are permitted to allow AFDC recipients who marry someone who is not the parent of their child, and who would become ineligible for AFDC, to keep up to 1/2 of their current benefit for up to one year as long as their combined family income is below 150% of the poverty level. Couples who marry and are eligible for the AFDC two-parent program in the state may receive either two-parent AFDC or the state's new "married couple" transition benefit, but not both.
- H. Increase asset limit up to \$10,000. States can disregard, for a maximum period of 2 years, up to \$10,000 of assets associated with a microenterprise owned by a family for purposes of determining AFDC eligibility and calculating AFDC benefits; states may also disregard up to \$10,000 of savings placed in a special account to be used for purchase of a home or for education or training. The disregard for business-related costs, income, and resources associated with a business of five or fewer employees will be increased from \$1,000 to \$10,000 per family.
- I. Parenting classes, money management, and moving residence. States have the option of requiring AFDC parents to participate in parenting classes and classes on money management during the Transition Program. Such participation counts toward fulfillment of state participation requirements. States can also require parents receiving AFDC benefits to receive agency permission before changing a dependent child's residence during the school year.

Title IV. Expansion of State and Local Flexibility

- A. Interagency Waiver Request Board. Waiver requests from states, localities, and other program operators are considered by an interagency board composed of the Secretaries of Agriculture, Health and Human Services, Housing and Urban Development, Labor, Interior, Justice, and the Office of Management and Budget. The Board is headed by a chairperson appointed by the President.

B. Goals of Reform Waivers. The Chairman and Board must insure that all waivers meet one or more of the following goals:

1. helping elderly and disabled individuals who need long-term assistance meet basic human needs or improve their living conditions,
2. helping able-bodied individuals and their families, on a temporary basis, meet basic human needs and improve their living conditions while--
3. acquiring the experience and skills necessary to improve their living conditions, maintain and strengthen family relationships, and attain or retain the capability for self-support and independence,
4. promoting individual initiative and personal behavior consistent with progress toward self-sufficiency and a strong family life.

The Chairman and Board must also insure that granting the requested waiver would not unnecessarily affect individuals or families adversely.

C. Application for Waivers. Any entity eligible to receive Federal funds may submit a waiver application to the Board specifying, explaining, and justifying the particular provisions of statute or regulation the entity wants to change. All applications must aim to help long-term welfare recipients improve their living conditions, help recipients strengthen their families and achieve self-sufficiency, or promote individual initiative and personal behavior consistent with progress toward self-sufficiency. Applications must contain written assurances that implementing the proposal will not result in additional costs to the federal government.

1. Any entity has the option to submit a streamlined express application to implement an assistance plan reforming three or fewer programs. The entity may request that the chairperson authorize the applicant to implement the plan and waive the application of any Federal statutory or regulatory requirement to the extent necessary to enable such implementation.
2. Entities wishing to reform such programs may submit an application for an integrated assistance plan. Applicants must include in their applications the geographic area and recipients to be affected; objectives and performance criteria; federal programs that will be improved by implementation; fiscal control policies for plan; consent of qualified organizations; and approval of state and local agencies (affected by the proposal).

- D. Agency Approval. The Chairman, after considering the proposal and making any written comments she thinks appropriate, forwards the proposal to the agency or agencies with jurisdiction over the programs. Within 45 days the agency must provide the Chairman with views on whether the proposal meets the goals of reform waivers outlined above. If more than one federal agency is involved in the waiver request, the chairman must take steps to assure that all agencies are informed of the others' involvement. The Chairman must reach a decision on the waiver request and notify the state within 90 days; if the state waiver request has not been approved or disapproved within 90 days from the date of receipt, the request is deemed to be approved.
- E. Eligible Federal Programs. Programs are deemed eligible for waivers if, directly or indirectly, they provide cash assistance, education, employment training, health, housing, nutrition, or social services to individuals or families.

Title V: Child Support Enforcement

- A. Improved Tracking of Absent Parents to Enforce Support. Establish a nationwide system for reporting and tracking newly hired workers to improve the nation's ability to locate parents and enforce support orders. The system would include a current address, source of earnings, and record of support obligations. This proposal is based on three specific reforms:
1. New employees would be required to report support obligations subject to wage withholding to employers via new W-4 tax forms. Withholding would begin immediately and employment information would be maintained for interstate searches.
 2. States would maintain updated registries of support orders to verify new hire withholding information and assist other states with interstate searches.
 3. The Federal Parent Locator service would be expanded to improve access to information nationwide; the Federal Office of Child Support Enforcement would coordinate an information network between states to provide for speedy interstate searches..
- B. Streamlined Wage Withholding. Streamline the interstate system of wage withholding by establishing uniform withholding notices and by requiring employers to honor

withholding notices from out-of-state courts.

- C. Improved Paternity Establishment. States would establish hospital-based programs to encourage voluntary paternity establishment at the time of birth and provide for administrative processes for establishing parentage.

Title VI: Welfare Restrictions for Aliens

- A. All welfare benefits (other than emergency Medicaid) are eliminated for non-citizens, except for refugees and certain permanent residents as defined below.
- B. Exceptions for refugees and permanent resident aliens:
1. Refugees who have been adjusted to permanent resident status can receive welfare for only 1 year beyond the time limit required for them to apply for citizenship (unless they are over age 75);
 2. Permanent resident aliens over age 75 who have been legal residents for at least 5 years are eligible for welfare benefits.
- C. State AFDC agencies must provide the name, address, and other identifying information (including fingerprints) to the Immigration and Naturalization Service for all illegal immigrant parents with citizen children.
- D. Any noncitizen who is currently residing in the U.S. and is affected by any of the above provisions is exempt from that provision for 1 year following passage of the bill; any federal department that administers welfare programs that currently serve resident aliens must directly notify, or ensure that states notify, all recipients affected by the provisions outlined above.

Title VII: Controlling Welfare Costs

- A. Annual outlay growth in the Aid to Families with Dependent Children, Supplemental Security Income, Public housing and Section 8 housing, Food Stamps, and Earned Income Tax Credit (EITC) programs is capped at 2% plus inflation. If spending in any year exceeds the cap, each of the six programs is reduced by the percentage necessary to bring aggregate spending in line with the cap. Each program is reduced by the same percentage amount.
- B. The concurrent budget resolution includes an aggregate outlay figure for all six capped programs and for each program individually; each figure equals the previous year's outlays plus inflation plus 2%. Committee

allocations for Ways and Means, Banking, and Agriculture reflect the caps. The President's budget also contains the same aggregate and individual outlay figures that are found in the budget resolution.

- C. Five days after Congress adjourns to end a session, OMB calculates both an estimated outlay figure for each capped program for the previous fiscal year as well as the 2% plus inflation cap.
- D. Fifteen days after Congress adjourns to end a session, each of the capped programs is reduced by sequestration, if necessary, by the uniform percentage required to achieve the spending limit imposed by the cap.

Title VIII: Consolidated Block Grant to States for Nutrition Assistance

- A. The consolidated block grant combines 10 food and nutrition programs into a single, discretionary block grant to states. The 10 programs are: Food Stamps, Nutrition Assistance for Puerto Rico, Special Milk Program, State Child Nutrition Program, Special Supplemental Food Program for Women, Infants, and Children (WIC), Commodity Supplemental Food Program, Food Donations Programs for Selected Groups, The Emergency Food Assistance Program, Administration on Aging/Nutrition Services, and Food Program Administration.
- B. Spending on the block grant is controlled by imposing a ceiling on the spending each year. The first-year ceiling is 95% of the total spending from the individual programs; in subsequent years spending is adjusted to take into account population growth and food price inflation.
- C. The block grant is apportioned among states in accord with the percent of the poverty population that resides in each state. Money from the block grant must be spent by states providing nutrition programs to families with incomes below 70% of the Lower Living Standard Income Level published by the Department of Labor.
- D. Restrictions on State Spending:
 - 1. States cannot spend more than 5% of their grant on administration.
 - 2. States must spend at least 12% of their allocation on the Special Supplemental Food Program for Women, Infants, and Children (WIC); this amount will bring WIC benefits to all eligible children and mothers.

3. States must spend 20% of their funds on nutrition programs in child care and public school facilities; spending must be targeted on school children meeting the eligibility criteria for free and reduced price school meals..
- E. The program authorization expires after 5 years. The initial authorization includes funding for the first and second years; the intent of this provision is to provide transitional assistance for programs with a funding cycle at variance with the fiscal year. Following the transition period, the block grant will be forward-funded.
 - F. The block grant generates savings through elimination of benefit overlap, reduction of middle class subsidies, and slashing administrative duplication. The federal government will cease direct purchase of agricultural commodities for the purpose of distribution to food programs; states can directly purchase agricultural commodities held by the federal government as part of farm surplus reduction programs.

Title IX: Miscellaneous

A. AFDC Recipients and Drug Addiction

1. AFDC applicants and recipients determined by states to be addicted to alcohol or drugs must participate in addiction treatment if it is available.
2. Failure of addicts to participate on a satisfactory basis as defined by the state will result in expulsion from AFDC for 2 years.
3. States may waive participation requirements during the transition program for up to 1 year if AFDC recipients are participating in addiction treatment programs; however, states must continue to include all addicted recipients in the denominator for calculation of participation standards.
4. States are authorized to use random and unannounced drug tests with recipients who have participated in drug rehabilitation programs or have a history of addiction; refusal by the recipient to submit to drug testing will result in termination of the entire family's cash AFDC benefit for 2 years.

- B. Supplemental Security Income & Addicts. The Social Security Administration is directed to identify all SSI participants whose disability was caused by addiction to illegal drugs and to test them periodically, on a random

schedule, to determine whether they are using illegal drugs. If use of illegal drugs is detected by the tests, or if recipients refuse to submit to testing, their SSI benefits are permanently terminated.

- C. Evaluation of Education and Training Programs. The Department of Health and Human Services is required to fund research that examines the impacts of education and training programs on exits from AFDC, welfare expenditures, wage rates, employment histories, and repeat spells on AFDC. At least one of the studies must involve three groups to which AFDC adults are randomly assigned: a control group not required to participate in any special activity, a group required to participate in education or job training programs, and a group required to participate in job search or job search and work experience. Participants must be followed for at least 5 years.
- D. Initial AFDC Applicant Job Search. States must require AFDC applicants to participate in job search while their welfare application is being processed. Applicants must be reimbursed for transportation and child care expenses. States can provide emergency aid when payment cannot be delayed. States retain considerable flexibility in defining such emergencies, although they must include in their state plan the general guidelines they will follow. States can decide not to follow this provision by passing a state law specifically exempting themselves.
- E. Demonstrations on Fraud and Administrative Efficiency.
1. HHS is authorized to conduct demonstrations in several states to determine whether providing welfare benefits (including AFDC, Food Stamps, Medicaid, housing, etc.) by use of electronic cards and automatic teller machines will reduce administrative costs and fraud; within 5 years HHS must write a report to Congress summarizing the results of the studies and making recommendations about whether and how more states might be required to use electronic funds transfer programs.
 2. HHS is required to appoint a commission composed of cabinet officials, outside experts, and state administrators to determine the cost and feasibility of creating an interstate system of Social Security numbers of all welfare participants for the purpose of ensuring that no adults or children are participating in welfare programs in more than one state.
- F. Work Incentive in Housing Programs. Local public housing authorities must disregard FICA taxes and income taxes from

earned income for purposes of calculating rent for 2 years after recipients begin employment. Public housing authorities may exclude from earned income, for a maximum of 2 years, additional earnings resulting from employment of a previously unemployed household worker over age 18. Both of these provisions are subject to funding approval by the Appropriations Committee.

G. Required Immunizations for Children.

1. Families with children under age 6 must present verification from a physician that the children are receiving regular pediatric checkups and required immunizations.
2. States must conduct education and outreach activities designed to increase public awareness of the importance of preschool health checkups and to advertise the availability of free or reduced price immunizations.
3. Children attending facilities supported by the Child Care and Development Block Grant must present evidence from a physician that they are following the recommended schedule of pediatric immunizations; providers must present parents with written information about required immunizations; parents must be given between 30 and 45 days to obtain the required immunizations or the child must be removed from the facility.
4. The Surgeon General must issue recommendations for the schedule of immunizations to be followed by children under 6 years of age.