

MEMORANDUM

COUNCIL OF ECONOMIC ADVISERS

June 13, 1994

MEMORANDUM FOR BRUCE REED, DOMESTIC POLICY

FROM: BILL DICKENS, CEA 

SUBJECT: CEA Concerns from Friday Welfare Reform Meeting

There were four areas in which CEA reached agreement with HHS that they would make desired changes in the draft legislation. We would appreciate it if you would check to be sure that the changes were not forgotten in the rush to finish the bill.

1. Adequate Incentives for Outcome Standards -- The following language (or something like it) should be added to Title IV, SEC. 487 (c):

The Penalties should be set so that a state which fails to meet a standard will be worse off that it would be if it met the standard taking account of both the penalty and the cost of providing the services necessary to obtain the outcome.

2. WORK Performance Standard -- The language in Title II SEC. 202 (4)(B) should be changed to:

"(B) For the purposes of this paragraph, a State's WORK participation standard is met if participation is greater than or equal to the lesser of --

(i) <as drafted>

(ii) 80 percent of the average monthly number of individuals registered for the WORK program."

3. Mental Health and Pre-JOBS -- Language should be added under Title I, SEC. 101 (1)(D) which specifies that mental health professionals may certify people as exempt, but that must be after an examination by an assigned mental health workers drawn from a list prepared by the state.

4. Job search assistance -- Title I, SEC. 103 (g)(2) should be modified to note that anyone with a high school diploma or more than 100 hours of paid work experience will be presumed to be ready for employment.

One other issue. There is a discrepancy between the specs and the legislation on penalties for JOBS standards (Title II SEC. 202(a) amending 403(k)(6)(A)(ii)). Although we did not get HHS to agree to change this at the meeting, the disagreement between the specs and the legislation give us an opening. As the legislation stands the actual participation standard is only 35% of the case load (see p. 65). HHS's argument was that San Diego SWIM only got the participation rate up to 40%. I asked HHS for those studies but never got them. However, it is my bet that people we are exempting from JOBS (Pre-JOBS folks) are counted in the denominator of that calculation. That would mean that San Diego had something more like 50-60% participation. Add in another 6% working part-time and their "40% participation rate" would look more like 65% under our system.

THE WHITE HOUSE

WASHINGTON

April 8, 1994

MEMORANDUM FOR THE CO-CHAIRS, WELFARE REFORM WORKING GROUP

FROM: Bill Galston Sheryll Cashin
Gene Sperling Paul Dimond
Chris Edley

SUBJECT: National Campaign for Youth

"The American people have got to want to change from within if we're going to bring back work and family and community. We cannot renew our country when within a decade more than half of the children will be born into families where there has been no marriage. We cannot renew this country when 13 year-old boys get semi-automatic weapons to shoot 9 year-olds for kicks. We can't renew our country when children are having children, and the fathers walk away as if the children don't amount to anything. . . . We can't renew our country unless more of us - I mean all of us - are willing to join the churches and the other good citizens. . . unless we're willing to work with people . . . who are saving kids, adopting schools, making streets safer. All of us can do that. We can't renew our country until we realize that governments don't raise children, parents do.

. . . I'm telling you, we have got to stop pointing our fingers at these kids who have no future and reach our hands out to them. Our country needs it, we need it, and they deserve it.

So, I say to you tonight, let's give our children a future. Let us take away their guns and give them books. Let us overcome their despair and replace it with hope. Let us, by our example, teach them to obey the law, respect our neighbors, and cherish our values. Let us weave these sturdy threads into a new American community that can once more stand strong against the forces of despair and evil because everybody has a chance to walk into a better tomorrow."

-- William J. Clinton
State of the Union
January 26, 1994

We continue to believe that the Administration's welfare reform plan must include a strong commitment to addressing the future life chances of the young people on whom the President focussed so passionately in the conclusion to his State of the Union address. If we are serious about transforming the welfare system, welfare reform must include a national commitment and a program of national scope that targets young people before they become pregnant, before they go on welfare, before they become trapped in a cycle of poverty. No demonstration program even purports to address the nature of the problem or to respond to the President's call.

The troubling statistics bear repeating:

- Welfare caseloads are rising dramatically -- 25 percent in the last five years, with most of the growth due to increasing rates of out-of-wedlock births.
- Dramatic percentages of boys and men continue to fail to meet their obligations to support the children they father --nearly \$34 billion dollars a year in potential child support goes uncollected.

- The poverty rates for unmarried, young single mothers are dramatic -- almost 80 percent of the children of young persons who have a child before they graduate from high school, outside of marriage, and while a teenager are living in poverty. Nothing hurts the life chances of teenage girls more than out-of-wedlock parenting.
- The number of births to unmarried teen mothers quadrupled in the past twenty years -- from 92,000 in 1960 to 368,000 in 1991.

As you know, we have proposed a National Campaign for Youth Opportunity and Responsibility as a central feature of the Administration's welfare reform effort. The idea clearly met with wide and favorable response from the Working Group and the Cabinet. We have proposed a broad, universal scope for this campaign to send a powerful message to youth of all backgrounds, ages and classes -- through our lifelong learning agenda for all youth, a newly organized private support organization, and a variety of media. We have urged the adoption of clear, national and individual goals to reflect our commitment to increase high school graduation rates, reduce teen pregnancy, and increase the number of youths moving on to higher education and into the workforce.

However, these broad national efforts are only one part of our recommendation. Another part of our proposal is an effort targeted at those youth most at risk of being trapped in a cycle of poverty and dependency. This must be a significant program, national in scope, and sufficient in the scale of resources devoted to it to reflect its central role in the overall welfare reform effort. It must use limited federal resources to leverage far larger commitments of continuing support throughout each local region and to make real for youth most at risk the broad range of Administration initiatives to increase opportunity, to promote responsibility, and to connect young people to pathways to college, work, lifelong learning and responsible parenting. It must provide support on a sustained basis, at least from ages ten (or earlier) through age eighteen. Attached is an outline of the proposal and budget for such a targeted effort that we are in the process of refining with the relevant participants.

We realize that final financing and budget decisions for welfare reform are about to be made and appreciate the difficult trade-offs we face in the current budget environment. As these decisions are made, we urge that the resources devoted to the targeted initiative for at-risk youth reflect a real commitment to dealing with these issues. We urge the adoption of an Ounce of Prevention funding strategy, with one sixteenth of the overall funding for welfare reform to go into these targeted opportunity efforts. Such a balanced funding strategy for welfare reform addresses the basic prevention issue of youth opportunity and responsibility directly. It will permit us to build a broader base of political and public support for welfare reform from the outset. Such a new approach to teen pregnancy prevention and parental responsibility may also provide a key to reducing poverty and the welfare rolls in the long run, whatever the particulars of any proposal for a transition from welfare to work once on welfare.

cc Peter Edelman
Belle Sawhill

PROPOSED BUDGET -- National Campaign for Youth

Community-Based, School-Linked Centers and A Million Mentors

We assume an incremental welfare reform budget cost of \$100,000 per year per school. These funds would be used to galvanize the creation of community-based, school-linked centers and to mobilize resources from existing federal and state programs and from outside partners. This figure includes the cost at each school for coordinating a network of mentors and institutional partners to support the students on a sustained basis from late elementary through middle and high school years. It also includes a ten percent overhead cost for administering the challenge program, providing training and technical assistance and other general support, and creating and operating a national information clearinghouse and network. In addition, each school will have several participants from National Service assigned to provide an on-going foundation of support for the students and the institutional partners, coaches and mentors; the ethic of responsible service will be built by example for all.

Local school communities will be challenged to develop their own network of institutional partners, mentors and coaches as a condition of applying for a grant. Models include:

- Urban Excellence Corps. A college or university will become a full partner with the schools and offer a Eugene Lang-style pathway to college or work to students who commit to learning. Universities are well-positioned to provide a steady supply of their students to serve as mentors and coaches, paid through work-study or as a condition of financial aid.
- Private Sector partnership. Private businesses and employers will "adopt" schools and provide a range of supports. These could include school-to-work apprenticeships, time for employees to become mentors, tutors and coaches, and summer employment and training.
- Consortium of Community-Based Support. A consortium made up of local non-profits, churches, universities, labor and business organizations will join to form a partnership with a school. This would permit a wide range of supports, e.g., further education, recreation, cultural or employment opportunities, as well as a large pool of mentors and coaches.

The Challenge Grant process could roll out with 400 schools added each year for five years - a total of 2000 schools by the year 2000. This would result in sustained personal mentoring and peer group coaching for more than 2,000,000 students and 2,000 on-going institutional partnerships between the local school communities and their partners, e.g., 500 colleges, 500 major employers, and 1000 community-based consortia.

Based on these assumptions, the five-year cost for the welfare reform budget would be:

Year 1	\$40 million
Year 2	\$80 million
Year 3	\$120 million
Year 4	\$160 million
Year 5	\$200 million
FIVE YEAR TOTAL	\$600 million

THE WHITE HOUSE
WASHINGTON

December 18, 1993

MEMORANDUM FOR BRUCE REED

FROM: RICK ALLEN

SUBJECT: NOMENCLATURE FOR WELFARE REFORM AND REQUIRED
EMPLOYMENT

We have discussed internally your suggestion that we propose an alternative description (rather than community service) for a job with a governmental or non-profit entity, required at the conclusion of the maximum permitted period of public assistance. We appreciate your sensitivity to our desire to distinguish voluntary service, under the President's national service initiative, from required conduct (whether for those on welfare or as part of alternative sentencing).

We propose that mandated activities be termed "community jobs" -- we want to get away from the use of "service". For our part, we intend to try to avoid using "community service" too, in favor of "national service" for the types of stipended, largely full-time activities constituting AmeriCorps, and the "ethic of service" to describe the full range of voluntary activities.

It will obviously take a while to begin to change the public's use of these terms, and the distinctions may be too small to penetrate most discourse, but we would like to give it a try and at least avoid making matters worse. Please call me with your reaction (606-5294).

Bruce --
Recently, "community service"
has again become the dominant
term in both Crime Bill alternative
sentencing reform discussions of welfare
reform stories. Any ideas how
we can avoid the confusion?
Rick
606-5294

THE WHITE HOUSE

WASHINGTON

March 3, 1994

MEMORANDUM FOR BRUCE REED

FROM: PAUL DIMOND

SUBJECT: PUTTING CHILDREN FIRST -- Mandatory Paternity and Child Support and Work from Absent Fathers

CC: BONNIE DEANE, BILL GALSTON, SYLVIA MATHEWS, BOB RUBIN, GENE SPERLING

Pursuant to your request, attached is a proposal for Putting Children First by requiring mandatory paternity and child support and work from **absent fathers**. This approach can claim the common ground if it is based on the child's **absolute right to know and to receive support from his or her father**.

The proposal has the added benefit of sending the message to all boys and young men that parenting is serious business and has serious consequences: if you choose to impregnate a woman, you will be responsible for helping to support any child born as a result of your action. As you know, I am working with Bill Galston and Bonnie to develop a proposal for an effective, President's Campaign for Young People against Teen Pregnancy and for the rewards of learning, work, and family. The Putting Children First Proposal is one important building block for this campaign of opportunity and responsibility for young people.

The evidence on child poverty, and the policy choices that have already long since been made, convince me that the most effective -- if not the only -- way to reduce child poverty and to promote upward mobility for young woman (and men) in this country is to reverse the upward trend of young, unmarried men and women begetting and bearing children. See attached fact sheet. If this understanding is right, then the most important components of welfare reform relate to the twin goals of promoting parental responsibility and making work pay, particularly for adolescent and young adult men and woman. So long as the transitional assistance followed by work component hews to the basic message of a two-year time limit and then work for wages as a second chance, you can focus the attention of the Principals, the President, the Congress and the country on the more fundamental policy issues.

PROPOSAL PUTTING CHILDREN FIRST

In order to make support from absent fathers work, three elements are required [**bold indicates a departure from or addition to the Working Group recommendations**]:

● **Mandatory Paternity.** Mothers, insurers, hospitals, clinics, doctors, and other care-givers must cooperate in identifying fathers: it is the child's right to know who is the father and to secure monetary support, if not nurture, from his or her father until the child is 18 years of age. The States can be given an incentive to do this by conditioning the federal match rate for new cases on establishing paternity. The mothers can be given an incentive to cooperate by conditioning receipt of AFDC benefits on full cooperation in establishing paternity. **By national law any father who contests the paternity claimed by the mother should be allowed to do so -- by volunteering for a DNA test, which can prove to a certainty that he is not (or is) the father.** [Data point: in 1990 paternity was established in **only 34%** of the almost 1.2 million out-of-wedlock births in that year.]

● **Mandatory Minimum Support from Non-Custodial Parents.** **By national law, the minimum support level from a non-custodial parent should be set. I recommend an initial floor of \$200/month.** States would be free to periodically review and raise the level of support pursuant to local law (based on the income of the non-custodial parent); and a variety of measures proposed by the Working Group would both aid and encourage States in establishing and collecting support orders. [Data Points: in 1990, **only 15%** of never married mothers received any support from the absent father, and this 15% averaged only **\$160/month** in support payments.]

● **Mandatory WORK from Non-Custodial Parents who do not Pay Support.** States now have the authority to require support payments from absent fathers. For example, Wisconsin gives local courts the authority to confront absent fathers who are in arrears on their court-ordered support payments with three options: bring support payments current, do 16 weeks of community service, or go to jail for 16 weeks. The Republican Welfare Reform proposal requires that all absent fathers who are two months in arrears in support payments participate in 2-4 weeks of job search and, if no job is required 35 hours of WORK (i.e., guaranteed work for wage slots). In my opinion, the Wisconsin approach will deliver more child support at a much lower cost than WORK slots for absent fathers. Substantial flexibility will, however, be required for the variety of circumstances that will be faced, e.g., the 16 year-old father. The main point should be the message: the absent father's support obligation should continue for his life, without a statute of limitations; even 16-year olds grow up, get jobs, and see their incomes rise. I therefore recommend that we avoid tackling the specifics of any program **but require states to develop their own plans for mandatory work as a condition of receiving the higher match rate for cases in which paternity is established.**

Although I strongly recommend that all three components be included as a national requirement in welfare reform legislation, all could be structured as options available to each state -- with a higher federal match rate or other performance measures used as an incentive to encourage states to include all three elements.

THE FACTS ON CHILD POVERTY AND WELFARE REFORM

- **AFDC will not lift children out of poverty.** The average AFDC monthly payment to a mother with three children has gone down in 1992 dollars from \$800 in 1970 to \$435 in 1992. **Nothing** contemplated in any welfare reform proposal removes the power of the States to continue this decline in real cash benefit levels.
- **Transfers to non-working families will not lift children out of poverty.** Unlike Europe and Canada, where all transfers (in-kind and dollars) provide the single mother family with 40% to 67% of the median income or standard of living of all families, the U.S. redistribution provides only 27%. The U.S. has already made the choice that income redistribution is **not** going to be the path out of poverty for the children of single mothers and out-of-wedlock birth. No welfare proposal challenges this policy choice.
- **The earnings and support of two-adults in the household does lift children out of poverty.** In the U.S., a household which includes two adults earns on average over three times that of single female household. If young people finish high school and defer child-bearing until age 20 and marriage, only 8% live in poverty. In contrast, for young people who do not follow this road to economic opportunity, there is a very hard life of poverty for the mother and for her children: almost 79% of such households will live in poverty.
- **Work for wages for a single mother will not substitute for two-adult households to lift children out of poverty.** No welfare reform proposal now on the table even claims to reverse this dynamic: at most, the proposed training, work for wages and transition to work for single mothers on welfare will **promises** only a marginal increase in their household income. Although mandatory child support and enforcement will also add some income, most increased child support will simply offset the welfare stipend or work for wages. In contrast, learning, work, and deferring child-bearing until marriage, remains a virtually certain path not only out of poverty, but also upward mobility in family income over time.
- **We must confront, directly, the increase in the trendline of welfare cases arising from out-of-wedlock childbirths.** From 1985 through 1992, the number of children on welfare increased 30%, from 7.1 million to 9.2 million. From 1990 to 1993, the average rate of flow of new cases onto the welfare rolls increased dramatically and the total number of cases increased 25% in only three years. The causes are not clear, but the demographic fact is: the increase is due to increasing rates of out-of-wedlock childbirth (not divorce, separation or death of a parent). This large and ominous increase in the trendline of new welfare cases is the hidden shocker that no one talks about in welfare reform. Much like the increased baseline in the projected budget deficit last year, the increase in the trendline of new welfare cases must be confronted if welfare reform is going to have any real impact on ending poverty and increasing opportunities for all Americans.
- **Combatting early child-bearing is even more essential -- and more of a challenge -- if we are going to make a dent in child poverty in high poverty pockets.** In high poverty neighborhoods, Wilson and Jencks argue persuasively that out-of-wedlock childbirth (and the resulting life of poverty on welfare or low-wage work in a female-headed household) is a rational **short-run** choice for females -- given the abuse, violence, sexual harassment, and unemployment that they face from many of the males around them. Nevertheless, for young women and men in these neighborhoods, more than any others, the **longer-term** rewards of learning, work and deferring begetting or bearing children until marriage provide the only sure and effective means out-of-poverty for themselves and for their children.

THE WHITE HOUSE

WASHINGTON

February 23, 1994

MEMORANDUM FOR BONNIE DEANE

FROM: PAUL DIMOND

SUBJECT: CHILD CARE JOBS; PARENTAL RESPONSIBILITY CAMPAIGN

Bonnie,

We have two missions for Bruce -- child care jobs for welfare moms and a parental responsibility campaign.

1. **Child Care Jobs.** The President strongly supports having child care jobs go to welfare moms. How could this be accomplished? How organized? What strings on federal child care funding? Will you meet with Belle this week to develop options: do not be limited by the 20% figure suggested by Richard Bavier. If we can figure out how to make child care work as a jobs program that also cycles welfare mothers over a 12 to 24-month period into other jobs, so much the better. If we can develop a design for child care, then we will have a basis for making the same claims on Headstart, Home Health Care, Public Housing, Child Support Enforcement, even Community Policing (?), who knows?

2. **Parental Responsibility Campaign.** Greg Duncan's data indicates that the increase in the rate of flow of new applicants onto welfare from 1989 to date results primarily from an increase in out-of-wedlock births, particularly among younger women. We must find the way to mount an effective campaign that lets all young people know that it is parents not governments who bear responsibility for the support and nurture of children; and that, no matter what happens with welfare reform, having a child before the parents can support that child is a decision that leads to greater poverty, lower skills, and less ability to become economically self-sufficient and upwardly mobile for the mother and for the child. Who can we consult to begin to develop an effective campaign to decrease the number of out-of-wedlock pregnancies, particularly in areas of high poverty concentrations? Please recommend a process, including persons to consult (e.g., Mayors, Ministers, Child Advocates, Ministers, etc) and background information (e.g., hard economic data, Greg Duncan's stuff, changes in trends) to develop an effective campaign.

Can you do both by Friday? Mission impossible -- not for you! Thanks.

cc-Bruce Reed

THE WHITE HOUSE
WASHINGTON

12-29

B. J. -

By the way
case you
haven't seen.

Tracy

THE WHITE HOUSE
WASHINGTON

December 8, 1993

93 DEC 8 P3:21

MEMORANDUM FOR JOHN PODESTA

From: Joe Velasquez
Subject: Welfare Reform

Welfare reform resonates well with the public but can cut negatively with our base voters if not handled right. We must be sure not to send the wrong message to our key constituents.

We need to say up front and often that we:

- * won't throw kids and their families into the streets after two years on welfare,
- * will provide effective employment and training programs for welfare recipients,
- * will provide jobs with decent wages that will help people break out of the poverty cycle, and
- * will not displace current workers.

Please keep me advised.

Thanks.

c: Carol Rasco
Mack McLarty

WR - W. Hane

EXECUTIVE OFFICE OF THE PRESIDENT

15-Feb-1994 01:38pm

TO: Bruce N. Reed
TO: Kathryn J. Way

FROM: Isabel Sawhill
Office of Mgmt and Budget, HRVL

SUBJECT: Ellwood document

I have now had a chance to read both Bruce's and David's latest documents. Bruce, you really did a great job of pulling stuff together. I have a little more sympathy for the human capital (vs. the labor force attachment) model than you do, but that's a minor point.

David's draft has a reasonable, if somewhat wordy, beginning. I worry a little about the table with steady-state costs because it assumes huge behavioral impacts which OMB and CBO staff will never accept, but for purposes of public argument, it's O.K. -- probably necessary -- and as I argued in my memo to Director, what our policy is all about.

Then we get to the "six key issues" (part-time work, exemptions policy, extensions, work program design, work program limits, phase-in.) These are also O.K. as far as they go, but I think we should add: sanctions, job search, state flexibility, and use of existing federal programs as source of WORK slots. The issue of work program design covers a lot of territory and is not discussed in current draft so we'll have to see how this gets handled. (Bruce: do you get to write this part? it would be good if you did.)

Next, comes the arguments -- pro and con -- for each issue. I thought this was pretty bad: too long and not at all balanced (especially on part-time work). We need to weigh in here.

How should we coordinate our response or comments on all of this?

MEMORANDUM FOR BRUCE REED

FROM: KATHI WAY

RE: 8:45 MORNING MEETING ON TUESDAY

Nothing terribly clandestine about this morning's meeting. Just some ideas you would not want to read in the NYT.

Evidently, welfare reform generally was a topic of the senior staff meeting this morning. There is concern the current discussions about welfare reform lack balance. Panetta suggested a welfare reform bill from the left would help balance the discuss. Panetta and Griffin in particular thing it would be helpful if a bill could be dropped by the left in the near future. CR thought we should work with Griffin and Panetta to make that happen, if possible.

Clearly, this would be helpful. I don't personally know of any pending bills that fall in this category. I thought we could talk tomorrow morning(just us, not HHS) about the possibility of getting this done. To add more from the other direction, Wendell indicated this morning the Mainstream Forum is likely to drop a bill that block grants food stamps, AFDC and perhaps Medicaid. The HHS minions are chasing down that rumor.

EXECUTIVE OFFICE OF THE PRESIDENT

15-Feb-1994 11:11am

TO: Bruce N. Reed
FROM: Kathryn J. Way
Domestic Policy Council
SUBJECT: Information from the 8:45 meeting

I talked with Carol about the issue at the 8:45 meeting related to welfare. Please call me when you get back for further information. If I miss you this evening, I will talk to you at 7:30 tomorrow morning.

*See envelope
(attached)*

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

15-Feb-1994 09:39am

TO: Bruce N. Reed
TO: Kathryn J. Way

FROM: Carol H. Rasco
 Economic and Domestic Policy

SUBJECT: welfare reform

CONFIDENTIAL: ^{WS}

I need to speak with one of you about a suggestion from the 8:45 a.m. meeting this a.m. If I can get off the conference call I am on now I will call Kathi and relay it to her....Bruce when you are back check with her, if I haven't gotten to either one of you, someone please try to call me after 8:30 p.m. at my house tonight. Thanks.

THE WHITE HOUSE

WASHINGTON

February 10, 1994

MEMORANDUM FOR DAVID ELLWOOD

FROM: PAUL DIMOND

SUBJECT: WELFARE REFORM -- PACKAGING, SCORING, MESSAGE,
IMPACT

To follow up on our discussion yesterday, here are some ideas about how to package the diverse welfare reforms which you and Bruce have been developing so that scoring, message and likely impact all point in the same direction.

Consider, for example, if our basic message focusses on promoting the economic self-sufficiency of working families. Then the package of reforms could be divided into two basic parts:

- decrease the rate of flow of new applicants onto the welfare rolls with a consistent program and policy -- **Parental Responsibility** -- that says, "Governments do not raise children, parents do" and "Bearing or begetting a child before you are able to support your child is, therefore, wrong and a probable sentence to poverty"
- increase the rate of flow of persons off of the welfare rolls with a consistent program and policy of labor attachment -- **JOBSLINK** -- that says "Parents are expected to support their children through a transition to work and lifelong learning"

If the welfare reform proposals which you and Bruce are developing were packaged to implement this message, then we would have a case to take to the American people -- and to CBO -- that we are serious about "ending welfare as we know it" and "making welfare a second chance rather than a way of life." I believe that your current proposals can be packaged to implement this consistent message, but that the current focus on CBO scoring may inadvertently be muddling this message.

Attached is a summary of how the current welfare reform proposals might be packaged into these two categories to implement this message. In the process, we might also be able to establish a better basis for building off a worse-case CBO baseline and demonstrating to the country and to Congress how serious we are about both lowering the rate of flow of new applicants onto the welfare rolls and increasing the flow of current recipients off of the rolls. Unless we are willing to take on both aspects of this policy and scoring debate, however, I fear that we will not be able to achieve the President's goals out in the country or in the Congress.

cc Bruce Reed

WELFARE REFORM -- PARENTAL RESPONSIBILITY AND JOBSLINK

I. PARENTAL RESPONSIBILITY

Message: parents, not governments, are responsible for bearing, begetting, raising and supporting children

Policy changes designed to decrease rate of flow of new applicants onto welfare rolls:

- Tougher, more effective child support enforcement
- Mandatory paternity (mandatory DNA testing)
- No separate minor households
- 60 days of Job Search First
- Intensive private, peer, leadership campaign on parental responsibility, family planning, sentence to dependence and poverty if bear or beget a child before parents able to support offspring together
- EITC, Health Care, Day Care for Working Poor
- [Higher Federal Match rates for States that join all components of Parental Responsibility (including for cases with paternity established and child support order in place) and present acceptable plan for JOBSLINK or more effective alternative]
- Improving National Economy?

II. JOBSLINK

Message: All parents are expected to support their children through a transition to work and lifelong learning

Policy changes for persons on welfare rolls designed to increase the rate of flow of persons off of the welfare rolls:

First Year -- Higher Federal Match to States that combine intensive labor market attachment with part-time skills (e.g., California Riverside, Swim, CET; Ohio Workfare; OJT)

Second Year -- Average Federal Match to States that combine part-time skills (including OJT) with part-time jobs in private sector or in the **federally funded** program expansions (e.g., child care, home health care, Headstart, PHA Modernization and COMPAC); **Federal Bonus** to intermediaries for job placement/retention

Third Year and after -- Second Job Search First (for 60 days) and, thereafter, **Declining Federal Match** to States and declining **Federal AFDC payments** to individual recipients (issue= to \$0 at any point?). For third year only, 250,000 **federally subsidized** private sector, one-year jobs and 250,000 **federally funded** one-year jobs from federal program expansion, followed by Job Search Last (for 60 days). Thereafter, continuing availability of skills training outside Welfare (e.g., JPTA, Pell grants, One-stop); and **Federal Bonus** to intermediaries for placement in private sector jobs.

At all times, continue non-HHS support for lifelong learning while on the job; and, at all times, if refuse job offer, lose eligibility for AFDC