

citizens up to the last minutes before the vote. The volume of the calls was so great that the Capitol Switchboard was backed up.

Some of you even came to Washington, D.C. at your own personal expense to help out. The White House had asked OMB Watch to recruit individuals to participate in Opinion Leader Forums. In certain targeted states, they were looking for people respected in their community to come meet with the President and his advisors. Following the forum, these individuals would arrange to meet with their congressional delegation to persuade them to vote for the reconciliation bill. There were seven individuals from three states who came to Washington to participate in these forums as a result of your recommendations.

### Stay Involved!

Even with this victory, the budget process is not over. In the next few months, we can expect to see more attempts to make cuts in domestic spending and programs that benefit vulnerable populations in our country. We hope that these early successes will encourage you to remain involved in the struggle for socially responsible fiscal policies.

If you would like to join or get information on the Budget A-Team, please call Harold Colton at OMB Watch at (202) 234-8494.

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## Constructing the Information Highway

### *Gore Announces New Initiative*

On September 15, the Vice President released a report identifying basic principles in the development of the new information infrastructure and announced the creation of an advisory council to an Information Infrastructure Task Force (IITF).

The new report, "The National Information Infrastructure: Agenda for Action," holds out the promise that the new information highways "can help unleash an information revolution that will change forever the way people live, work, and interact with each other..." The promise of National Information Infrastructure (NII) is described as the ability to use a device that combined a telephone, a TV, a camcorder, and a personal computer so that you can communicate wherever you are., you could watch a replay of the news or a team's last game, browse the latest additions to the library, get government information, find the best prices in town on commercial goods, or get medical assistance while in your home.

The nine principles which will guide the development of this NII are:

- Promote private sector investment in the NII;
- Extend "universal service" so as to ensure that information resources are available to all at affordable prices;
- Act as a catalyst to promote technological innovation and new applications;
- Promote seamless, interactive, user-driven operation of the NII;
- Ensure information security, privacy, and network reliability;
- Improve management of the radio frequency spectrum;
- Protect intellectual property rights;
- Coordinate with other levels of government and with other nations; and
- Provide access to government information and improve government procurement.

The Information Infrastructure Task Force set up during the summer is chaired by Commerce Secretary Ron Brown and has three committees: Telecommunications Policy, chaired by Larry Irving, Assistant Secretary in the Commerce Department; Information Policy, chaired by Sally Katzen, Administrator of the Office of Information and Regulatory Affairs at OMB; and Applications Committee, chaired by Arati Prabhakar, Director of the National Institute on Standards and Technology. The IITF is charged with guiding the development of the NII.

To help the IITF, the Vice President announced a new presidential executive order creating an advisory council to the IITF. The membership of the advisory council will be named by December, but is expected to be broadly representative of the sectors that are affected by the NII. The IITF will be an important entity to monitor as it develops the policies to help shape the NII.

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## New Target: Welfare Reform

### *Administration Working Group Seeks To "End Welfare As We Know It"*

President Clinton convened The Working Group on Welfare Reform, Family Support and Independence to fulfill his campaign promise to "end welfare as we know it". The efforts of the group are guided by four principles: (1) Making work pay; (2) Improving child support enforcement; (3) Providing education, training and other support services, and; (4) Creating a time-limited transitional support system to be followed by getting welfare recipients back to work.

The Working Group draws its members from the various departments and agencies involved in administering the welfare system at the federal level. The interagency group is being chaired jointly by Bruce Reed, Deputy Assistant to the President for

Domestic Policy; David Ellwood, Assistant Secretary for Planning and Evaluation, HHS and Mary Jo Banc, Assistant Secretary-designate for the Administration for Children and Families, HHS. It also includes officials from the Office of the Vice President, the Departments of Agriculture, Commerce, Education, Housing and Urban Development, Justice, Labor and Treasury, OMB, the Council of Economic Advisors and the Surgeon General.

To date, the Working Group has held three public forums to date. The first was held on August 11th, 1993 in Chicago; the second was August 19th and 20th in Washington, D.C.; and the third was held in Union County, New Jersey on September 9th. Two more forums are scheduled in the near future. They are tentatively scheduled for October 6th and 7th in California and the first week in November in Tennessee.

### Getting Input In D.C.

The public forum held in the District of Columbia was remarkable for a number of reasons. Chief among them was the amount of agreement that could be found among the panelists. Individuals representing a wide cross-section of public officials, public interest organizations and welfare recipients all concurred about the failure of the current welfare system. There was almost unanimous support for the need for fundamental change in order to end the cycle of poverty and hopelessness rather than perpetuate it.

As could be expected, there were areas of disagreement between the panelists as well. Most concerned the form that the new system should take, such as the level of federal or state involvement in solving these problems. However, some panelists differed over fundamental questions like the effectiveness of federal education and training programs to improve job readiness or the fairness of cutting off or limiting benefits of welfare recipients after two years.

In starting the proceedings, the moderators began by laying out what the Working Group hoped to achieve. Bruce Reed reemphasized that "ending welfare as we know it is one of the President's top goals." Furthermore, he outlined two principles that would guide the Working Group's efforts: Those who work should be above the poverty line and those who can work should not be made to stay on welfare forever. David Ellwood characterized the President's economic plans as "the first step" on the road to welfare reform.

The opening panel featured organizations at the state and local levels involved in the administration of the welfare system. The panelists touched on a wide range of issues, including the need for improvements in the child support system and the form and delivery of support services to welfare recipients. There was also requests for flexibility in implementing changes in order to ensure that no person was harmed during a complicated transition period.

Rep. Eleanor Holmes Norton (D-D.C.) tried to impress upon the Working Group the difficulty of the task that lay ahead. She cautioned that the Administration had raised expectations—perhaps too high—by claiming that they could end welfare, as if it were an easy task. Not only were certain elements crucial to welfare reform like job creation and health care reform outside of the power of the Working Group, Rep. Norton warned, but so were matters like military downsizing, national service and prejudice against welfare recipients.

### Key Issues Addressed

On the question of how to make the welfare system supportive of efforts made by welfare recipients to work, participants on three panels agreed that there was much that needed to be done. Experts from women's groups, the Hispanic and the deaf communities testified about how the system failed to deal with their own special circumstance. Three women also offered their own personal experiences as examples of how the welfare system had hindered their efforts to achieve self-sufficiency. Sheila Wier, a single mother with two daughters, told about her attempts to go back to school and finding that she could no longer receive daycare. The message was clear, she said: "If you work, you lose."

The solutions seemed clear to a point. Most participants agreed on the value of the expanded Earned Income Tax Credit, improved access to child care and an increased minimum wage. However, Robert Greenstein of the Center on Budget Policy and Priorities noted that even with the EITC, Aid to Families with Dependent Children and an increased minimum wage, that would not get all families above the poverty line.

Child support was another emotionally charged issue. There was considerable agreement on the measures that needed to be taken in order to ensure that child support laws were enforced. Improving the system meant more information sharing between

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federal, state and local organizations involved in enforcing the child support laws, making caseworkers more sensitive to the needs of parents trying to collect child support and improving measures to establish paternity.

Who should bear the ultimate responsibility for enforcing these laws was a different matter, though. Participants disagreed over whether the federal government should administer the child support system or provide federal child support assurance for those parents who were not receiving payments from delinquent fathers.

The panels addressing education and training and support services were united in their call for better programs to prepare welfare recipients to go to work. However, these services could only be helpful if there were jobs for welfare recipients when training was completed.

Participants pointed to other factors that hindered the effectiveness of the government job readiness programs. Diana Pearce of the Women and Poverty Project discussed how the emphasis in the welfare system on training women for "traditional" jobs such as clerical work relegated them to significantly lower income and fewer possibilities for advancement. Homeless advocates also explained how homelessness hindered the ability of the government to provide support services.

Perhaps the most controversial issue confronting the Working Group was time-limited assistance and work requirements. Proponents of work requirements described a system which has been ineffective in helping welfare recipients and has wasted significant tax dollars. Robert Rector of the Heritage Foundation went so far as to claim that the War on Poverty had been a failure and that all federal education and training programs to date had been fairly useless.

However, there were serious questions raised about the form of any plan to limit benefits to welfare recipients. Most panelists opposed rigid two-year time limits. Some pointed to the difficulty of finding employment opportunities in a difficult job market.

Some participants noted that there were good reasons for coming back into welfare, including loss of a job or a family emergency or crisis.

**How You Can Get Involved**

For more information, call Patricia Sosa, Director of Public Outreach in the Working Group's Public Liaison office at (202) 401-9261 or write to: The Working Group on Welfare Reform, Family Support and Independence Aerospace Building, 370 L'Enfant Promenade, S.W., Suite 600, Washington, D.C., 20047.

**Bush Takes Swipe At EPA In Final Days In Office**

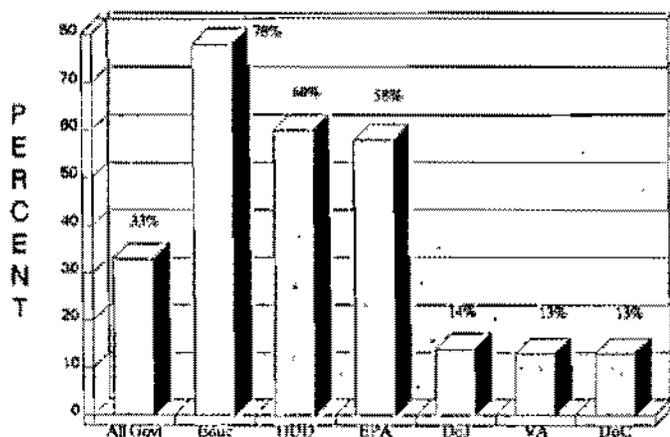
*Regulatory Review For First Half Of 1993 Reveals Much Activity*

A new policy at OMB's Office of Information and Regulatory Affairs permits the public access to information concerning regulatory actions taken by OIRA. These new data show that 70% of EPA's regulations during President Bush's last month in office were rejected, changed or withdrawn. The data also show that OIRA has not changed much during the first six months of the Clinton Administration — although more regulations are having a tougher time getting through OIRA.

The Bush Administration used its regulatory review powers over the EPA with a final vengeance. Between January 1 and January 19, 1993, OIRA reviewed 30 pending regulations from the EPA. Only seven of these were accepted without change. No other agency had so many reviews during January, and no other agency had so many problems — normally less than one-third are changed. Since this flurry of activity and the swearing in of President Clinton, EPA regulations sent to OIRA have occurred at a pace and approval rate similar to other agencies.

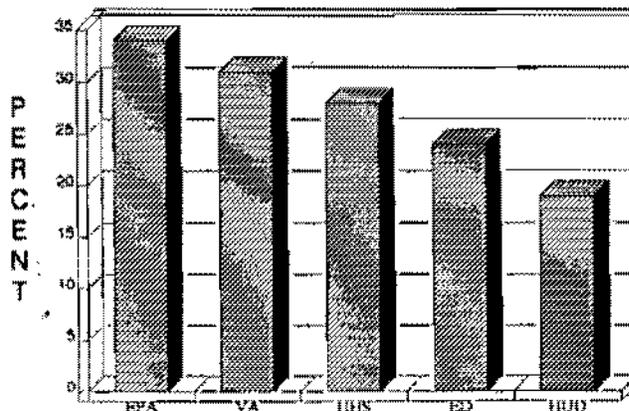
**OMB Regulatory Scorecard: Best & Worst**

- % Rejected, Changed, Withdrawn



**OIRA Reviews Longer Than 3 Months**

Top 5 During 1/1/93 - 6/30/93



During the first six months of 1993, OIRA reviewed 980 rules — a pace equal to past years. It is expected that the President's new executive order on regulatory review will change the number of regulations reviewed by OIRA, requiring OIRA to focus on the most significant regulations.

While the number of regulations submitted did not change much, the rate at which OIRA changed or disallowed agency regulations, or agencies withdrew them, did go up. 33% of agency regulations ran into some type of problem at OIRA — up from an average of about 25% in the Bush era.

The agencies having the most problems at OIRA were the Departments of Education and Housing and Urban Development, and the EPA (see graph). Conversely, the Departments of Commerce and Veterans Affairs had the easiest times getting their regulations through OIRA, with only 13% having problems.

The OIRA report puts the average review time during the first six months of 1993 at 52 days. This includes an average of 72 days for "major" regulations and 51 days for "non-major" regulations. (A regulation is considered major if it has an impact of at least \$100 million on the economy). EPA had the longest average review time, 89 days, for agencies having more than five regulations reviewed by OIRA. Also, one-third (34%) of EPA's reviews took three months or more to complete, the greatest percentage of any agency. The chart on the previous page shows, as a percentage of agency regulations reviewed by OIRA, the five agencies with the most regulations reviewed for 3 months or more.

It would be unfair to draw too many conclusions from this new data since Sally Katzen, the new OIRA Administrator, took over in June and the President is only now releasing his executive order on regulatory review. But monitoring future data will be important to test the effectiveness of the new regulatory review operation in the Clinton Administration.

## In Brief

**Poverty Report Still Not Available** — The Bureau of the Census has not yet released the yearly reports it compiles on poverty in the United States. Normally, the data are released by late August or September. However, according to the Office of Public Information, the reports will not be available until sometime next month. Stay tuned...

**Federal Facilities to "Lead By Example" in TRI Reporting** — As of August 3, 1993, federal facilities are required by a Clinton Executive Order to file toxic release inventory (TRI) reports. Under the Emergency Planning and Community Right-To-Know Act (EPCRA), manufacturing facilities must file reports with the EPA detailing their toxic emissions. However, until this new E.O., federal facilities were excluded from EPCRA.

Federal facilities must file their first reports by July 1995 for the 1994 reporting year. The E.O. also asks all federal facilities to set a voluntary goal of reducing releases and transfers of TRI chemicals by 1999. Federal facilities must also develop a written pollution prevention strategy and, within two years, new specifications aimed at ending the use of hazardous substances or toxic chemicals in future contracts.

**The Administration Tackles Homelessness** — On May 19, 1993, President Clinton signed an Executive Order directing the federal departments and agencies involved on the Interagency Council on the Homeless to develop a concerted plan to deal with the problem of homelessness within nine months.

In order to solicit suggestions from the public, the Council is co-sponsoring "Building Communities Together" with HUD. This will consist of a number of public forums that will be held around the country. Several have already been held.

For more information about the upcoming forums or the plan, you can call (202) 708-1480 or you can write to: Interagency Council on the Homeless, 451 Seventh Street, S.W., Suite 7274, Washington, D.C., 20410.

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Mr. Bruce Reed  
Deputy Assistant to the President  
Domestic Policy Council  
The White House  
Washington DC 20500



# American Friends Service Committee

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Dorothy G. Bennett  
Chairperson  
Kara L. Newell  
Executive Secretary

September 2, 1993

file

David Ellwood  
Assistant Secretary for Planning and Evaluation  
Department of Health and Human Services  
370 L'Enfant Promenade SW, 6th Floor  
Washington, DC 20047

Dear David Ellwood:

We were among the small group of people who, along with Working Group members, attended the entire Welfare Reform Forum on August 19-20. Listening to your summary remarks at the end of the forum, we were struck by the recognition that we did not hear the same general message as you did. Specifically, we did not hear a consensus that the whole system should be eliminated, that we should start from scratch. The only presenter with that message was one who clearly resents the whole idea of a safety net.

The women reporting bad experiences with the child support system were calling for improved implementation not elimination of the system. They and others complained of lack of respect and lack of responsiveness from agency personnel. Restructuring the system won't solve that problem. Better training, higher standards, and more adequate staffing are needed, whatever the system.

The proposed two-year cutoff was the most controversial issue. The overwhelming majority of panelists did not support this idea; rather they called for more flexibility, not less.

The forum was extremely valuable as an exploration of ideas and experiences. We appreciated the inclusion of a great variety of perspectives. It is up to you and your colleagues now to show the same openness in devising approaches to the problems that were identified. To us, the

most basic message of the forum was not "Do something! Do anything!" but "The problem is poverty, not the welfare system." This is the challenge for the Working Group and the Administration.

Sincerely,

*Anne Turpeau /rk*

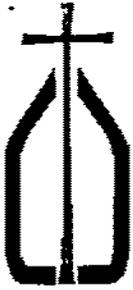
Anne Turpeau  
National Community Relations  
Committee

*Jane R. Motz /rk*

Jane R. Motz  
Associate Secretary  
National Community Relations  
Division

AT:JRM/k

cc: Working Group Members



Catholic  
Charities  
USA

October 5, 1993

Rev. Fred Kammer, SJ  
President

Mr. David T. Ellwood  
Assistant Secretary for Planning and Evaluation  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Mr. Ellwood:

Thank you very much for your letter of August 24, 1993 with regard to my testimony of August 19 before the Working Group on Welfare Reform. I write with a personal and professional apology with regard to my testimony.

Recently I learned from the statisticians with whom we contract for our survey calculations that the final review for duplicated and unduplicated count on our 1992 survey figures had not been applied to all the figures given to me for my testimony. The corrected increase from 1991 to 1992 was staggering enough, but not the astronomical increase I reported.

Our total clients figure increased from 12.3 million in 1991 to 14.3 million in 1992 (not the larger figure I reported). The increase was attributable almost entirely to emergency services, a 26% increase, which have played the critical role in moving our overall client numbers from 3.4 million in 1981 to 14.3 million in 1992. A corrected copy of both my verbal statement and my full written testimony is included for the official record.

The trends and the underlying message about systemic poverty are unchanged from my testimony. But it was necessary to correct the statistical error as soon as possible.

Again, my sincere apologies for the error. My thanks for the opportunity to testify and for the meeting earlier last month with the interfaith representatives.

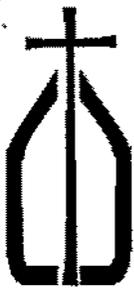
Sincerely yours,

Fred Kammer, SJ  
President

Enclosures (2)

cc: Mary Jo Bane, Department of Health and Human Services  
{ Bruce Reed, White House

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Catholic  
Charities  
USA

TESTIMONY OF  
CATHOLIC CHARITIES USA

PRESENTED BY

REV. FRED KAMMER, SJ  
PRESIDENT  
CATHOLIC CHARITIES USA

Episcopal Liaison  
The Most Reverend  
Joseph M. Sullivan

Chair  
Mr. Bruce J. Kouba

Vice Chair  
Rev. Timothy A. Hogan

Secretary  
Ms. Lupe U. Mackel

Treasurer  
Ms. Beatriz Diaz Taveras

President  
Rev. Fred Kammer, SJ

BEFORE THE

INTERAGENCY WORK GROUP ON WELFARE  
REFORM, FAMILY SUPPORT AND INDEPENDENCE  
AUGUST 19, 1993  
WASHINGTON, DC

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Good afternoon ladies and gentlemen, My name is Fred Kammer, SJ and I am President of Catholic Charities USA. Thank you for inviting me to testify today. Catholic Charities USA applauds the Clinton Administration for making welfare reform a top priority and for holding these public forums around the country. We look forward to working with you and the Administration to reform the welfare system so that it truly supports families and provides them with many paths to self-sufficiency.

Catholic Charities USA is the largest network of voluntary nonprofit human services providers in this country whose mission is to support families and individuals, strengthen communities, and reduce poverty. Our mission emanates from a strong foundation of faith and belief in the dignity of every human person, children of the same God, and brother and sister to each other, while at the same time reflecting on our experience as social service providers in assessing the social realities of our time. This network is comprised of 265,000 staff and volunteers who provide services through 1400 agencies and institutions.

In 1992, 14.3 million people across the United States turned to the Catholic Charities USA network for assistance, a 16 percent increase over 1991! This number included 10.6 million people facing a crisis--no food or shelter, for example--and another 3.8 million who received human services such as counseling, day care, and housing. The number of people seeking emergency services increased nearly 26 percent from 1991 to 1992; from 8.4 million to 10.6 million.

Over the last decade, the Catholic Charities USA network has seen the numbers of people seeking assistance escalate dramatically. In 1981, the total number of persons seeking services was 3.4 million. By 1991, that number had increased fourfold to 12.3 million. Nearly all of this increase can be attributed to the increase in need for basic assistance: food and shelter.

A closer look at the 1992 numbers reveals that over 4 million children and adolescents received services. These children are part of single-parent families, two-parent families, White, African-American, Latino and Asian-American families. They are of all religions and none. They represent the rich racial, ethnic and religious diversity of our nation. These children also have a parent or parents who work full-time or part-time. They may

have a parent who stays at home to care for them. They may have parents who work night shifts so that one parent can always be at home. They may come from families in which chemical dependency, mental illness, and/or violence in the family exist. **What most of these children share in common, however, is that they live in poverty.** And as national statistics tell us, and Catholic Charities USA's survey data also indicate, the numbers of these children are increasing.

Catholic Charities USA believes that more and better bread lines and bigger shelters for homeless families and individuals are no substitute for effective preventive social policy that strives to address the root causes of poverty and social injustice and that strive to help parents substantively provide and care for their children. It is our hope that you and other members of the Administration share our belief.

### **The Broader Context of Welfare Reform**

As you move forward to develop the Clinton Administration's welfare reform proposal, Catholic Charities USA strongly urges you to expand the context in which you consider this reform.

Looking at AFDC as an isolated phenomenon is an invitation to disaster. AFDC exists within a larger social context. The problem is not welfare but poverty--economic poverty, educational poverty, health care poverty, social poverty. To transform AFDC in a way that respects human dignity and attacks the poverty that is so widespread in our country requires constructive changes that go well beyond the bounds of the AFDC system.

The basic outline of the Clinton proposal recognizes changes that need to be made in two very important related areas: health care and child support. It is well-documented that many parents stay on AFDC in order to be assured of some basic health insurance coverage for their children and themselves. Affordable and accessible quality health care coverage must be made available to those families who leave AFDC.

Regarding child support, Catholic Charities USA believes that no one should contribute to creating a child and then be able to walk away from the responsibility for supporting that child. We support strict enforcement of current child support laws and support

enhancements that will strengthen the system to ensure that support is collected from the non-custodial parent, regardless whether the parents are divorced or never married.

The context for welfare reform, however, must be expanded even beyond these two areas. For example, our country's approach to education must be changed so that all of our children, but especially those in poverty, have access to an education that prepares them for the jobs of the future. In addition, basic adult education or remedial education must be provided for older AFDC recipients.

A comprehensive approach to increasing the supply of affordable housing, especially rental housing, must be developed. It is not uncommon for families with low-incomes to spend 60-75% of their income on housing; housing that is most often substandard and inadequate. Oftentimes, there is not enough money left so that a family can afford to buy food at the end of the month, food stamps notwithstanding.

Most importantly, we urge the work group to consider welfare reform against the backdrop of current economic realities. As you know, our economy and the jobs it produces, have undergone radical change in the past 20 years. The jobs of today and of the future, which will provide a living wage require much more sophisticated and high-level skills and are not as plentiful as the blue-collar jobs of the past. In addition, the jobs in our economy, which once provided someone with little education and training a wage with which they could support a family, have largely disappeared. Research indicates that increasing numbers of college graduates have difficulty finding jobs in which they can support themselves. If this is true for this population, then what can people with low-incomes, who usually have much less educational attainment, expect?

Efforts to reform welfare must be closely coordinated to economic development efforts within the Administration. If the Administration's welfare reform proposal is, in some way, going to require AFDC recipients to move into work or else lose their benefits, then stronger efforts than are currently underway must be taken to stimulate our economy and create adequate paying jobs which allow parents to purchase the services they need to work, i.e. child care, transportation, health care coverage. If this does not happen, adult recipients, and more importantly, their children, should not be penalized financially if those jobs are not available.

## **Transforming AFDC to Support Work**

People in poverty who seek assistance from Catholic Charities agencies reflect the diversity of people in poverty in our country. Some are periodic recipients of AFDC-- they move between low-paid work and AFDC. Others may need AFDC only once in their lives as they transition from life situation to another. Still others, because of constant crises in their lives, may need long-term assistance. Our experience indicates that recipients have diverse backgrounds and life experiences, and thus have different needs, capacities and resources.

Regardless of circumstances, however, families who may need public assistance at some point in their lives, should be able to depend on a level of income support that provides them with an adequate foundation on which to build economic and family stability.

### **• Establishing a Minimum National Benefit**

Catholic Charities USA supports enactment of a federally-funded, minimum AFDC benefit adjusted for family size and increases in inflation. A system in which benefit levels range from a low of \$120 in Mississippi and a high of \$923 in Alaska is patently indefensible.

These benefit levels have been woefully inadequate almost since the inception of the program. Benefit payments have lagged far behind most states' own determination of family need, and benefits have lagged even further behind increases in the cost-of-living. As a result, the real purchasing power of AFDC payments decreased 42 percent between 1970 and 1991. In 1991, the median AFDC payment for a family of three was 39.3 percent of the poverty line. Basic AFDC benefit levels have kept pace with inflation in only 11 states in 1992.

Many of the recipients of AFDC who testified last week in Chicago mentioned the incredible difficulty they faced in trying to purchase basic needs, such as food and rent, with small AFDC payments. Even with the addition of food stamps, it is no easy task to feed, clothe, and shelter one's children. In addition, when one has to constantly worry about meeting these basic needs, there is little energy leftover to seek out those resources that might help improve the family's situation.

## **Transitioning from Welfare to Work and Working But Still Poor**

The underlying philosophy for supporting families who are transitioning from welfare to work and who are working but still poor should be one of investment in this nation's families. It is our hope that undergirding the system with such a philosophy will help create an environment that seeks to prevent families from falling into poverty and helping them escape it if they fall on hard times.

- Time-limitations

For those parents in transition from welfare to work, the time period allowed for the transition should be determined by an assessment of the family's needs--parental needs, children's needs and the needs of the family as a whole. The period of transition will be different for every family. For some, the transition period may be short, perhaps six months or one year. For others, who have encountered more severe life problems or have greater family responsibilities, this transitional time may need to be longer, perhaps as long as five years.

Parents in transition from welfare to work and those working in low-wage jobs, will need many of the same financial and community supports.

- Financial Supports--Make Work Pay

### *Liberalizing the Income Disregard Formula*

During the transition from welfare to work, AFDC recipients should be able to retain more of what they earn and thus be rewarded for actively participating in the work force and for moving off welfare.

### *Raising the Assets Standards for Eligibility*

The amount of assets a family is allowed to retain should be substantially increased so that a family can begin accumulating an asset base that will help them achieve self-sufficiency. Such a change will also help prevent families from becoming totally impoverished in order to become eligible for public assistance.

### *Expanding the Earned Income Tax Credit*

As the Clinton Administration has acknowledged, parents who work full-time, year-round, should not be poor. Thus, financial incentives should be provided which make work more attractive than welfare. Catholic Charities USA supports the recently enacted expansion of the Earned Income Tax Credit as one such incentive. However, more remains to be done.

#### *Providing Health Care Coverage*

Any reform of the health care system should ensure that low-income families have access to affordable and quality health care coverage, whether they are working or not.

#### *Increasing the Minimum Wage*

The minimum wage should be indexed to the cost-of-living so that it never falls behind as it did in the 1980s.

#### •Community Supports--Investing in Families

##### *Customized Case Management*

To invest in families, the AFDC delivery system must shift from a system that merely screens for eligibility to one that works with the family to develop and implement an individualized family case plan. Such a system must allow for an aggregation of resources that provides families with the best possible opportunity to become self-supporting. This requires intensive case management by professionally-trained, highly competent case managers. Such a case management system might allow for early intervention by skilled case managers, who are able to mobilize needed and flexible resources, to prevent new families from becoming dependent on AFDC.

##### *Safe and affordable child day care*

The supply and types of quality child care, e.g., emergency sick child care, infant day care, must be increased so that day care is available to both working poor families and families transitioning to work. Slots for these families should be provided on an affordable sliding fee scale, both during the transition to work and once parents have found a job. A mother should not be required to undergo training or take a job unless affordable quality child care is available for her child(ren).

##### *Housing assistance*

The supply of affordable rental housing must be increased. As mentioned earlier, families on AFDC and other low-income families have difficulty obtaining and maintaining affordable and safe housing. Income eligibility rules for low income housing should not penalize families as they move from welfare to work.

### *Transportation*

Federal and state regulations that prohibit recipients of AFDC from owning a car worth more than \$1,500 (and lower in some states) make it difficult for recipients to own a vehicle they can depend on to get to and from work. In those rural, suburban and even urban areas with inadequate or nonexistent public transportation, recipients who seek to work, remain in their job training program, or seek to stay in their low wage job face significant obstacles.

### *Ongoing counseling and support for employment and family*

Supportive employment and family counseling should be provided to adult recipients as they move from welfare to work and once they have obtained a job. Catholic Charities experience shows that these adults need lots of support as they make major changes in their lives. These changes also affect the lives of their children and the family as a whole. Such changes can cause significant stress and disruption in the lives of these families which may halt the progress of an adult in transition to work or cause employee and employer problems in the workplace. Supportive counseling can prevent problems from escalating at home and in the workplace.

### **• Structure of Community Support Services**

How these community supports are provided is as important as whether they are available. Services should be provided in a manner that respects the dignity and privacy of the family. At the service delivery level, these families need community services-- public and private nonprofit--that are, at the least, coordinated, and, at the most, integrated in such a way that families living in poverty have access to a continuum of care.\* Families in crisis, who are seeking emergency assistance, as well as more stable families who are seeking a pathway out of their situation, are made more vulnerable by delivery systems that impede their progress instead of smoothing their transition. Catholic Charities USA urges the working group to examine the myriad of federal eligibility requirements that may create more barriers at the community level for

vulnerable families. We also urge you to strongly encourage state and local public assistance departments to work with nonprofit human service community providers and recipients of services to build dignified and more effective systems of support for families.

### **Conclusion**

The millions of families and individuals who annually seek help from the Catholic Charities USA network are usually in crisis, on the verge of crisis, or are barely getting by day-to-day. With the incredible increasing demands for services in our network and the corresponding lack of funding to provide them, Catholic Charities USA believes it is imperative that all levels of government work more cooperatively with each other as well as with the corporate sector and the private nonprofit sector to attack the root causes of poverty that necessitate so many of our families to seek public assistance. We must work together to create responsible social policy that helps our nation's most vulnerable families.

\* Catholic Charities USA oversees The Children of Children Project, a model program funded by the Kellogg Foundation and aimed at adolescent parents. It is located at three sites around the country--Albuquerque, NM; Lansing, MI; and Newark, NJ. The purpose of the project is to work with teen parents and their extended family, to help the teens stay in school, reduce their risks for welfare, and build their parenting skills. The individual needs of the adolescents and their families are addressed through family-centered case management. See Appendix A for more information.



Catholic  
Charities  
USA

## NEWS RELEASE

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### Children of Children Project Rev. Thomas J. Harvey Comments August 7, 1992

I'm here today to announce a new, million dollar program aimed at what needs to be done so young teen families can move out of poverty, become self-sufficient, and break the cycle of pregnancy. A cycle that sometimes leads to welfare dependency, child abuse, and neglect.

The recipe we propose is a unique blend of comprehensive services -- child care, social casework, and training. Thus, we call it The Children of Children project. The project will focus on three generations in one family system.

Catholic Charities USA has teamed with Babyland Nursery, an exciting child care agency here in Newark, and with Catholic Charities agencies in Lansing, Michigan and Albuquerque, New Mexico to help teen parents counter the cycle of teen pregnancy.

Why is this program innovative? In a word, it is comprehensive. Let me outline its main features.

The group we are targeting is teen parents ages 12-16, their children, and their children's grandparents. This program will:

- teach them parenting skills;
- provide child day care;
- provide a counselor, on site, to help the parents coordinate their health care, education, and career training.
- It will involve the baby's father and grandparents in fostering healthy family living.
- And it will be situated in a nurturing, neighborhood environment.
- There is also a research component, which will provide policy-makers and children's advocates with a model for breaking the cycle of teen pregnancy and the social problems associated with it.

Is it costly? Yes, it is. But it is less costly than the fallout of poor parenting, inadequate nutrition, and unemployable families.

We are grateful for the generous support that the Children of Children program is receiving from major foundations: A \$500,000 grant from The W.K. Kellogg Foundation; \$150,000 from The Prudential Foundation, and \$15,000 from The MCJ Foundation on behalf of The Amelior Foundation. Local support includes the Junior League of Lansing; the State of New Mexico and Holy Family Parish in Albuquerque; and here in Newark, the New Community Corporation and the Youth Development Council.

We believe that this intensive approach, which also teaches the responsibilities of parenthood, will reduce dependency. Keep in mind that children who have children are still children. This nurturing program will help young families strengthen their family life and become self-sufficient.

Thank you.



Catholic  
Charities  
USA

## Children of Children Project

### Fact Sheet

The **Children of Children Project** is a three-year, intergenerational project designed to curtail teen pregnancy and the occasional negative side effects of child abuse, neglect, and welfare dependency. The project entails a comprehensive service program and a research component.

The pilot program initially will be carried out in three cities under Catholic Charities USA auspices with an eye toward replicating the positive results in the Catholic Charities USA network.

*Target populations:* Teenage parents (ages 12-16), their children (ages infant to three years), and their extended families (grandparents, other care givers).

*Program objectives:* Responsible parenthood and economic stability for the family.

*Program environment:* A supportive child-care facility with social services for the infants and toddlers and their families in a neighborhood setting.

#### *Key program elements:*

- Teach parenting skills to teen mothers and fathers;
- Pursue jobs and training for the young parents so they become self-supporting and able to maintain financial independence;
- Network the family with community resources and services such as health care, nutrition, transportation, and education; and
- Strengthen the whole family unit by focusing on intergenerational relationships that include the child, mother, father, grandparents, and other family care givers.

#### *Participating agencies:*

Babyland Nursery, Inc.'s Family-Child Development Program, Newark; Catholic Social Services of Albuquerque, Inc.; Catholic Social Services/St. Vincent Home for Children, Lansing, MI.

#### *Funding support:*

**Foundations:** The W.K. Kellogg Foundation, main funder; Prudential Foundation; MCI Foundation of behalf of The Amelior Foundation.

#### **Community groups:**

Albuquerque: Catholic Social Services of Albuquerque, Inc., Holy Family Parish, State of New Mexico;

Lansing: Catholic Social Services/St. Vincent Home for Children; Junior League of Lansing.

Newark: Babyland Nursery, Inc., New Community Corporation, Youth Development Council.

The W.K. Kellogg Foundation was established in 1930 to "help people help themselves." The private grant-making foundation provides seed money to organizations that have identified problems and designed constructive action programs aimed at solutions. The foundation's grants focus mainly on youth; leadership; philanthropy and volunteerism; community-based, problem-focused health services; higher education; food systems; and rural development.

Catholic Charities USA is the nation's largest, private, human service organization. The network of 1,200 agencies, institutions, and individuals aims to reduce poverty, support families, and strengthen communities in the United States.



Catholic  
Charities  
USA

REV. FRED KAMMER, SJ  
PRESIDENT, CATHOLIC CHARITIES USA

VERBAL STATEMENT  
BEFORE THE

FEDERAL INTERAGENCY WORK GROUP ON WELFARE REFORM,  
FAMILY SUPPORT AND INDEPENDENCE

Episcopal Liaison  
The Most Reverend  
Joseph M. Sullivan

August 19, 1993  
Washington, DC

Chair  
Mr. Bruce J. Kouba

Vice Chair  
Rev. Timothy A. Hogan

Secretary  
Ms. Lupe U. Macker

Treasurer  
Ms. Beatriz Diaz Taveras

President  
Rev. Fred Kammer, SJ

---

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(703) 549-1658

Good afternoon. My name is Fred Kammer and I am President of Catholic Charities USA. Thank you for inviting me to testify. We look forward to working with you to reform the welfare system so that it truly supports families and provides them with many paths to self-sufficiency.

With a 250 year history in this country, Catholic Charities USA is the largest network of voluntary nonprofit human services providers in this country. Our mission is to support families, strengthen communities, and reduce poverty.

In 1991, 12.3 million people of all ethnic, racial and religious backgrounds turned to the 1400 agencies and institutions in the Catholic Charities USA network for assistance. This number included 8.4 million people facing a crisis--no food or shelter, for example--and another 3.9 million who received a wide range of social services such as counseling, day care, job training and housing.

This continues the devastating trends of the 80s. When we compare our 1991 survey to the data from our survey of 1981, we find a fourfold increase in the numbers of people seeking our help. Most of that increase occurred in emergency services.

Many of the adults who seek help from Catholic Charities work and are still poor. Many are poor and have exhausted all their resources. At the end of each week or each month we find them in increasing numbers in our soup kitchens or food pantries because paychecks, welfare checks, and even food stamps are not enough to feed their families.

Some have physical illness, mental health, or chemical dependency problems. Some are terrorized by family violence. Some are refugees from war and violence overseas. Some need help in paying for a prescription or buying shoes for their children. Many depend on AFDC for their basic survival.

I cite these facts and statistics to underscore that the problem facing this nation and your work group is not welfare, but poverty---economic poverty, educational poverty, health care poverty, social poverty. In this context of widespread, systemic poverty, we urge you to consider these approaches to supporting work:

First, establish a national minimum AFDC benefit that provides an adequate level of support to families from which they can begin the road to self-sufficiency. Current benefit levels leave families in chaos and in constant need of the kinds of emergency services we provide. \$96 a month in Mississippi for a parent and child, or \$138 a month in my home state of Louisiana is **PATENTLY INDEFENSIBLE!**

Second, provide financial supports that help families work their way off welfare and into jobs that lift them over the poverty line. Catholic Charities USA supports liberalizing the income disregard formula, raising the asset standards for eligibility, further expansion of the Earned Income Tax Credit, and the provision of affordable and accessible health care coverage.

Third, expansion and coordination of community support services such as quality child day care, housing assistance, transportation, and ongoing family and employment counseling are needed to effectively help people transition from welfare to work. These services also help to prevent working poor families from falling back onto welfare.

**Conclusion:**

The millions of families who annually seek help from us are usually in crisis, on the verge of crisis, or are barely getting by day-to-day. It is imperative that all levels of government work more cooperatively with each other as well as with the corporate and nonprofit sectors to attack the root causes of poverty that drive so many of our families to seek public assistance.

**MORE AND BETTER BREADLINES AND BIGGER SHELTERS FOR HOMELESS FAMILIES ARE NO SUBSTITUTE FOR EFFECTIVE AND COURAGEOUS SOCIAL POLICY!**

Thank you.

**Working Group on Welfare Reform, Family Support and Independence  
Washington, D.C. Public Forum Tentative Agenda  
August 19 - 20, 1993**

**Andrew W. Mellon Auditorium  
Constitution Avenue, N.W.  
Between 12th and 14th Streets  
(across from the American History Museum)  
Washington, D.C.**

**August 19, 1993:**

Welcome

**Panel One - State and Local Organizations  
9:00 - 9:55 a.m.**

National Governor's Association  
National Conference of State Legislators  
American Public Welfare Association  
National Association of Counties  
U.S. Conference of Mayors  
National League of Cities

Each group will have five minutes to present their statement of principles. There will be 30 minutes of discussion with the Working Group.

**Panel Two - Congressional Members  
10:00 - 10:25 a.m.**

Delegate Eleanor Holmes Norton (D-D.C.)  
Representative Albert Wynn (D-MD)  
Mayor Sharon Pratt Kelly\*

\*Mayor Kelly will also participate

**Panel Three - Supporting Work  
10:30 - 11:45 a.m.**

Each issue panel will consist of 2 personal stories of clients, 5 panelists testifying on behalf of national organizations, and 30 minutes for discussion with the Working group members, i.e.

10:30 \* Personal stories of two clients, ten minutes each  
10:50 \* Organization testimony  
(5 panelists, 5 minutes each)  
11:15 \* Discussion/Q&A with Working Group members

**Panel Four - Child Support**

11:50 - 1:05 p.m.

**Break for Lunch**

1:05 - 1:55 p.m.

**Panel Five - Education, Training and Support Services**

2:00 - 3:15 p.m.

**Panel Six - Time Limited Assistance and Work Requirements**

3:20 - 4:15 p.m.

Note: There will be no personal stories in this issue panel

**Panel Seven - Supporting Work**

4:20 - 5:35 p.m.

**Panel Eight - Education, Training and Support Services**

5:40 - 6:55 p.m.

**Closing Remarks**

7:00 - 7:15 p.m.

**August 20, 1993:****Welcome****Panel One - Supporting Work**

9:00 - 10:15 a.m.

**Panel Two - Time Limited Assistance and Work Requirements**

10:20 - 11:15 a.m.

**Panel Three - Education, Training and Support Services**

11:20 - 12:35 p.m.

**Panel Four - Time Limited Assistance**

12:40 - 1:35 p.m.

**Closing Remarks by Working Group Chairs**

1:40 - 2:00 p.m.

TIER 1 D.C. FORUM INVITATION LIST 8/4/93

RAINBOW COALITION	YES
NATIONAL PUERTO RICAN COALITION	YES
LA RAZA	YES
CENTER FOR BUDGET AND POLICY PRIORITIES	YES
DISPLACED HOMEMAKERS NETWORK	YES
CATHOLIC CHARITIES	YES
NATIONAL ALLIANCE OF BUSINESS	YES
SEIU	YES
NATIONAL ASSOC. OF SOCIAL WORKERS	YES
CENTER FOR LAW AND SOCIAL POLICY	YES
NATIONAL ALLIANCE TO END HOMELESSNESS	YES
AMERICAN ENTERPRISE INS.	YES
EMPOWERMENT NETWORK	YES
COALITION ON HUMAN NEEDS	YES
ASSOCIATION FOR CHILD SUPPORT ENFORCEMENT	YES
CHILDREN'S RIGHTS COUNCIL	YES
SOUTHERN INSTITUTE ON CHILDREN AND FAMILIES	YES
JEWISH POVERTY CONFERENCE	YES
NAACP	MAYBE
NATIONAL URBAN LEAGUE	MAYBE
JOINT CENTER FOR	MAYBE
ECONOMIC AND POLITICAL STUDIES	
AMERICAN BAR ASSOCIATION	MAYBE
INSTITUTE FOR WOMEN'S POLICY RESEARCH	MAYBE
WIDER OPPORTUNITIES FOR WOMEN	MAYBE
CHILDREN'S DEFENSE FUND	MAYBE
NATIONAL COUNCIL OF CHURCHES	MAYBE
AFSCME	MAYBE
CHILD WELFARE LEAGUE OF AMERICA	MAYBE
FOOD RESEARCH ACTION LEAGUE	MAYBE
NATIONAL COAL. FOR THE HOMELESS	MAYBE
DLC OR PPI	MAYBE
BUSINESS FOR SOCIAL RESPONSIBILITY	MAYBE
CENTER FOR LAW AND EDUCATION	MAYBE
CHILD WELFARE LEAGUE OF AMERICA	MAYBE
MDRC	MAYBE
IRVING GARFINKEL	MAYBE
CHARLES MURRAY	MAYBE
HERITAGE FOUNDATION	MAYBE
WOMEN'S LEGAL DEFENSE FUND	NO
NATIONAL WOMEN'S LAW CENTER	NO
CENTER FOR WELFARE POLICY	NO
LARRY MEAD	NO
SHELDON DANZIGER	NO

18 = YES

21 = MAYBE

5 = NO

Other organizations:

Ayuda  
Aspira  
National Coalition of Hispanic Health and Human Services  
Organizations (COSSMHO)  
Committee for Economic Development  
NOW Legal Defense Fund  
National Council of Negro Women  
National Urban Coalition  
Representative, African-American Churches  
Bread for the World  
Center for Community Change  
Center for Population Options  
Legal Aid Society  
Legal Assistance Foundation  
9 to 5  
League of Women Voters  
National Education Association (?)  
Family Service America  
National Association of Child Advocates  
Child Care Action Campaign  
Families and Work Institute - Ellen Galinsky  
Foundations (?)



DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

**Melissa T. Skolfield**

Deputy Assistant Secretary for Public Affairs

Phone: (202) 690-6853

Fax: (202) 690-5673

To: Bruce Reed.

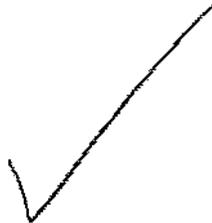
Fax: 456-6515 Phone: \_\_\_\_\_

Date: \_\_\_\_\_ Total number of pages sent: \_\_\_\_\_

Comments:

here is the opening statement I promised you for tomorrow - please let me know if you have any changes. We're putting the press kits together today.

We included David's statement as well, it would be happy to have your thoughts on that as well.



opening statement

Bruce Reed

Welcome to the second regional hearing of the Working Group on Welfare Reform, Family Support and Independence. As many of you know, we held our first forum in Chicago last week, and those two days were enlightening and helpful to all of us. I expect today's testimony to be equally compelling.

As you know, reforming the welfare system is one of President Clinton's highest priorities. During the recent campaign, he spoke of "ending welfare as we know it," and he will honor that pledge. But let's not forget the end of that quote. What the President said was that reform would be accomplished "not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives. No one who works full-time and has children at home should be poor anymore. No one who can work should be able to stay on welfare forever."

If there's one message we heard clearly in Chicago, it is this: everyone, including the many young, poor mothers now on welfare, realizes the unfairness of the current system and wants it changed. Everyone would prefer the dignity and self-sufficiency of a job to a future that promises only more dependency. It is our task to take that desire and translate it into action.

Four values are guiding our effort: work, family, responsibility and opportunity. Those values are the cornerstone of the plan we are building. And I am pleased to say, they are the basis of an approach to reform that is emerging now at the local

level in many cities, counties and states. I expect to hear more about that from our first panel, which represents several governmental associations working independently on welfare reform.

I'd now like to turn the program over to David Ellwood for his remarks, and then we'll begin.

opening statement

David Ellwood

I would like to echo Bruce's remarks, and to thank all of the witnesses who have agreed to be here today. All of you have thought long and hard about welfare reform, and we're anxious to hear your thoughts.

Our highest priority in the short time that we've been meeting has been to gather the views of all interested parties: young mothers now on welfare, those who've managed to move from welfare to work, those who would like to, and all of the many Americans who are spending their time and energy helping young families create their own independent futures.

Last week in Chicago, for example, we spent most of our time talking with participants in Project Match at Cabrini-Green; with teenage mothers who participated in a unique long-term effort to improve school attendance and job training; and with other AFDC recipients in the New Hope program in Milwaukee. Their conversations with us were direct, and from the heart.

Roxane Betke, a young mother of three, spoke for many poor women when she told us of her difficulty finding a job that would actually improve her family's economic situation. Women like Roxane need our help. They need job training and health care, and in many cases, they will also need the expanded Earned Income Tax Credit to boost their earnings above the poverty line.

I often call the EITC a pay raise for the working poor. Our reform efforts were greatly strengthened three weeks ago when Congress agreed with President Clinton's plan to expand it. That expansion will give millions of low-income workers a bonus of four dollars for every ten dollars they earn - and it's an important part of making work pay.

But make no mistake, we are committed to every single one of the topics you are here to discuss. We are serious about improving child support collection, providing education and training, creating a transitional system, and making work pay.

We welcome all of you to our discussion today, and we thank you for your commitment to help us reach our goals.

ALL ISSUE GROUP MEMBERS AND THEIR STAFF ARE CORDIALLY INVITED TO ATTEND THE D.C. PUBLIC FORUM ON WELFARE REFORM AT:

9:00 a.m. - 6:00 p.m.

Thursday, August 19, 1993

and

9:00 a.m. - 1:00 p.m.

Friday, August 20, 1993

Andrew W. Mellon Auditorium  
Constitution Avenue, N.W.  
Between 12th and 14th Streets  
(across from the American History Museum)  
Washington, D.C.

Please fax the names of those attending to Bill Crews at 638-1973 by Wednesday at noon.

In addition, volunteers are needed to staff the forum on both the 19th and 20th. If you know of anyone who could help for a few hours on either day, please have them contact Jim Hickman at 401-6958.

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Directions to the Andrew W. Mellon Auditorium: Take the Metro to the Federal Triangle stop. Exit onto 12th Street. Walk south on 12th Street. Make a right onto Constitution Avenue. The Mellon Auditorium is a 1/2 block down, on the right side of the street.

**Working Group Welfare Reform,  
Family Support and Independence  
Washington, D.C. - Public Forum  
August 19 - 20, 1993  
Andrew W. Mellon Auditorium  
Constitution Avenue, N.W. Between 12th and 14th Streets  
(Across from the American History Museum)**

**Thursday, August 19, 1993:**

Welcome

Panel One - State and Local Organizations  
9:00 - 9:55 a.m.

Barry Van Lare, Deputy Director, National Governor's Association  
Jane Campbell, Ohio State Representative, National Conference of State  
Legislators  
Larry Jackson, Department of Social Services, Virginia, American Public Welfare  
Association  
Kay Beard, Wayne County Commissioner, Michigan, National Association of  
Counties  
Donald Fraser, Mayor, Minneapolis, National League of Cities

Panel Two - Congressional Members  
10:00 - 10:20 a.m.

Eleanor Holmes Norton (D-D.C.)  
Albert Wynn (D-MD)

Sharon Pratt Kelly, Mayor, District of Columbia

Panel Three - 10:25 - 11:40 a.m.

**SUPPORTING WORK**

10:25 - 10:45 a.m.

Recipients:

10:45 p.m. - 11:40 p.m.  
Institute for Women's Policy Research  
Center for Budget and Policy Priorities  
National Alliance of Business  
\*National Council of La Raza  
American Enterprise Institute

**Agenda subject to change**

11:40 - 12:00 a.m.  
Press Availability

Panel Four - 12:00 a.m.- 1:10 p.m.

**CHILD SUPPORT**

12:00 a.m.- 12:20 p.m.

Recipients

12:20 p.m. - 1:10 p.m.

American Bar Association

Association for Children for Enforcement of Support

Ayuda

Children's Rights Council

National Women's Law Center

Southern Institute on Children and Families

Break for Lunch

1:10 - 1:35 p.m.

Panel Five 1:35 - 2:50 p.m.

**EDUCATION AND TRAINING AND SUPPORT SERVICES**

Recipients

1:35 p.m. - 1:55 p.m.

1:55 p.m. - 2:50 p.m.

Children's Defense Fund

Displaced Homemakers Network

Employment Policies Institute

National Association of Social Workers

Bread for the World

\*Rainbow Coalition (Maybe)

Panel Six - 2:55 - 3:50 p.m.

**TIME LIMITED ASSISTANCE AND WORK REQUIREMENTS**

AFSCME

Center for Law and Social Policy

Joint Center for Economic and Political Studies

Progressive Policy Institute

NOW

Coalition on Human Needs

Break - 3:50 - 4:05 p.m.

**Agenda subject to change**

Panel Seven - 4:05 - 5:00 p.m.

**SUPPORTING WORK**

NAACP

Child Care Action Campaign

Catholic Charities

9 To 5 (or Education and Training and Support Services)

Deaf Pride

Empowerment Network

Panel Eight - 5:05 - 6:00 p.m.

**EDUCATION AND TRAINING AND SUPPORT SERVICES**

SEIU

National Puerto Rican Coalition

National Community Action Foundation

Center for Women's Policy Studies

National Coalition for the Homeless

National Institute for Literacy Advisory Board

**Agenda subject to change**

Friday, August 20, 1993:

Welcome

Panel One - 9:00 - 9:55 a.m.

**SUPPORTING WORK**

DC Neighborhood Legal Services  
Family Service America  
Public Housing Directors Association  
Women and Poverty Project  
Advocates for Children and Youth  
National Coalition of Health Services Organizations  
(COSSMHO)

Panel Two - 10:00 - 10:55 a.m.

**TIME LIMITED ASSISTANCE AND WORK REQUIREMENTS**

NOW Legal Defense Fund  
Heritage Foundation  
Jewish Poverty Conference  
America Works  
National Urban Coalition

Break 10:55 - 11:10 p.m.

Panel Three - 11:10 a.m.- 12:05 p.m.

**EDUCATION AND TRAINING AND SUPPORT SERVICES**

Center for Law and Education  
National Alliance to End Homelessness  
Wider Opportunities for Women  
Goodwill Industries of America  
National Low Income Housing Coalition  
Church Women United

Panel Four - 12:10 - 1:05 p.m.

**TIME LIMITED ASSISTANCE AND WORK REQUIREMENTS**

Families and Work Institute  
Marion Pines - John Hopkins University  
Community Service Society of New York  
U.S. Catholic Conference  
MDRC

Closing Remarks by Working Group Chairs  
1:05 - 1:15 p.m.

**Agenda subject to change**

opening statement

Bruce Reed

Welcome to the second regional hearing of the Working Group on Welfare Reform, Family Support and Independence. As many of you know, we held our first forum in Chicago last week, and those two days were enlightening and helpful to all of us. I expect today's testimony to be equally compelling.

As you know, <sup>EWANK!</sup> reforming the welfare system is one of President Clinton's highest priorities. ~~During the recent campaign, he spoke of "ending welfare as we know it," and he will honor that pledge.~~

But let's not forget the end of that quote. What the President said was that reform would be accomplished "not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives." ~~No one who works full-time and has children at home should be poor anymore. No one who can work should be able to stay on welfare forever."~~

*This approach will be built on two unassailable principles he laid out in the campaign:*

If there's one message we heard clearly in Chicago, it is this: everyone, including the many young, poor mothers now on welfare, realizes the unfairness of the current system and wants it changed. Everyone would prefer the dignity and self-sufficiency of a job to a future <sup>of</sup> ~~that promises only mere~~ dependency. ~~It is our task to take that desire and translate it into action.~~ *The current welfare system doesn't work for anybody -*

Four values are guiding our effort: work, family, responsibility and opportunity. Those values are the cornerstone of the plan we are building. And I am pleased to say, they are the basis of ~~an~~ <sup>a new, bipartisan</sup> approach to reform that is emerging now at the local

*not the program recipients, not the taxpayers, careenless, and most of all, not the people on welfare.*

level in many cities, counties and states. I expect to hear more about that from our first panel, which represents several governmental associations working independently on welfare reform.

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Last week in Chicago, for example, we spent most of our time talking with participants in Project Match at Cabrini-Green; with teenage mothers who participated in a unique long-term effort to improve school attendance and job training; and with other AFDC recipients in the New Hope program in Milwaukee. Their conversations with us were direct, and from the heart.

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I often call the EITC a pay raise for the working poor. Our reform efforts were greatly strengthened three weeks ago when Congress agreed with President Clinton's plan to expand it. That expansion will give millions of low-income workers a bonus of four dollars for every ten dollars they earn - and it's an important part of making work pay.

But make no mistake, we are committed to every single one of the topics you are here to discuss. We are serious about improving child support collection, providing education and training, creating a transitional system, and making work pay.

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Opening Statement of Bruce Reed

Working Group on Welfare Reform, Family Support and Independence

Washington, D.C. hearing

August 19, 1993

Welcome to the second regional hearing of the Working Group on Welfare Reform, Family Support and Independence. As many of you know, we held our first forum in Chicago last week, and those two days were enlightening and helpful to all of us. I expect today's testimony to be equally compelling.

Ending welfare as we know it is one of President Clinton's highest priorities. His approach will be built on two unassailable principles he laid out during the presidential campaign: "No one who works full-time and has children at home should be poor anymore. No one who can work should be able to stay on welfare forever."

If there's one message we heard clearly in Chicago, it is this: everyone, including the many young, poor mothers now on welfare, realizes the unfairness of the current system and wants it changed. Everyone would prefer the dignity and self-sufficiency of a job to a future of dependency. The current welfare system doesn't work for anyone: not the taxpayers, not the caseworkers, and most of all, not the people on welfare.

Four values are guiding our effort: work, family, responsibility and opportunity. Those values are the cornerstone of the plan we are building. And I am pleased to say, they are the

basis of a new, bipartisan approach to reform that is emerging now at the local level in many cities, counties and states. I expect to hear more about that from our first panel, which represents several governmental associations working independently on welfare reform.

I'd now like to turn the program over to David Ellwood for his remarks, and then we'll begin.

# HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

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HHS Secretary Donna E. Shalala announced today that the department is planning to adopt new policies and procedures to make the Medicaid and Aid to Families with Dependent Children (AFDC) waiver review process "faster and simpler" for state governments.

The department's "section 1115" waiver authority allows the approval of selected state health reform and welfare reform demonstration programs. Although the authority granted HHS under section 1115 of the Social Security Act has been used to approve a number of innovative demonstration programs, over the years the approval procedures have sometimes been seen as inefficient and time-consuming.

In February, President Clinton promised the National Governors' Association "relief from the cumbersome process."

"These internal policies and procedures are a major step toward fulfilling President Clinton's goal of giving states more flexibility in their management of joint federal-state programs, while maintaining the department's commitment to provide quality services to our beneficiaries," Secretary Shalala said.

Under the new policies and procedures HHS is planning to:

- \* establish concurrent, rather than sequential, review of waivers by HHS divisions;

- \* assess cost neutrality over the life of the proposed demonstration program instead of year by year;

- More -

\* allow waivers to test the same or related policy considerations in more than one state;

\* consider joint Medicaid-Medicare waivers, as well as joint AFDC-Medicaid waivers; and

\* allow demonstrations of sufficient duration to give the new policy approaches a fair test.

The department also announced plans to make similar improvements in the approval process for Freedom of Choice (FOC) and Home and Community Based Services (HCBS) waivers, which are used to allow state experiments with managed care and long-term care. Under the new policies the department will make only one formal request for additional information on HCBS waiver applications and make other changes to simplify those approvals.

HHS may still disapprove any request on legal or policy grounds and will require states to conform with national health reform and welfare reform legislation. President Clinton is expected to propose a health care reform plan and a welfare reform plan this fall.

HHS has also agreed to work with the states on additional policy changes which require federal legislation.

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