

WITHDRAWAL SHEET

Clinton Library

Collection: Domestic Policy Council-Reed, Bruce
 OA/Box: OA 18943
 File Folder: Letters (General)

Archivist: RDS
 Date: 4/6/04

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. resume	Resume of Frank D. Martinez, 1p (partial)	ca. 1997	P1/B1

- P1** National security classified information [(a)(1) of the PRA].
- P2** Relating to appointment to Federal office [(a)(2) of the PRA].
- P3** Release would violate a Federal statute [(a)(3) of the PRA].
- P4** Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P5** Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P6** Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

RESTRICTIONS

- B1** National security classified information [(b)(1) of the FOIA].
- B2** Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- B3** Release would violate a Federal statute [(b)(3) of the FOIA].
- B4** Release would disclose trade secrets or confidential commercial financial information [(b)(4) of the FOIA].
- B6** Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- B7** Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- B8** Release would disclose information concerning the regulation of financial institutions [(b)(9) of the FOIA].
- B9** Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

THE WHITE HOUSE
WASHINGTON

May 13, 1997

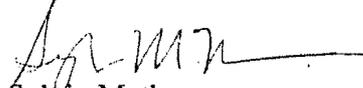
Mr. Frank D. Martinez
3130 Windermere Drive
Pensacola, FL 32503

Dear Mr. Martinez:

Thank you for your letter regarding the President's efforts on welfare reform. I appreciate your enclosing the outline for Urban Services Malls, Inc. I have forwarded your proposals on to Bruce Reed, the Assistant to the President for Domestic Policy, who handles these issues.

In the next four years, we have to move another 2 million people off welfare to meet the targets of the welfare reform law. The President believes that we have all got to take responsibility to see that the jobs are there so that people can leave welfare and become permanent members of the work force. We appreciate your input and your efforts in working towards that goal.

Sincerely,



Sylvia Mathews
Deputy Chief of Staff

cc: Bruce Reed, Assistant to the President for
Domestic Policy

Frank D. Martinez

Handwritten notes:
1) please copy letter to me
2) send packet to Andrew
Andrew anyone - no
APR 01 1997
here will you please address I B on what type of letter to direct to Ty Matt

Ms Sylvia Mathews, Deputy Chief of Staff
The WHITE HOUSE
1600 Pennsylvania Ave.
Washington, DC 20500

Subject: KNIGHT-RIDDER CLINTON LEGACY REPORT

Dear Ms Mathews:

In above report you mentioned that the president is striving for "SOMETHING THAT CONTRIBUTES LONG AFTER HE IS GONE". Although I fully approve of his Welfare Reform Law, while the majority are in loud disapproval, I am afraid President Clinton has already created an enduring legacy for which he will long be remembered, - the REFORM BILL itself! One does not have to be a Rhodes Scholar to equate the impact of the millions that will be pushed into poverty and subsequently related despair driven increases in drug trafficking and higher crime rates. Certainly not the legacy to leave behind. The reason I am writing to you is that your very high position of authority and feminine intuition may be instrumental in turning adversity around to help President Clinton attain his legacy ambitions. This may be a very opportune time to do this.

In the forthcoming Governors Welfare Reform Review of plans to implement the new law, you can expect their plans will widely vary, particularly on use of federal funds allocated for this purpose. Florida, for example, considered by the media as an "innovative" leader in the "Back to Work" movement, is generously helping job seekers by giving them telephone pagers to expedite interviews, paying for books, school supplies and even car repairs. If this is an example of a leader states aggressiveness, one wonders what lesser aggressive states are planning. This could be the opportunity to lay the cornerstone to the Clinton Legacy Foundation.

From all indications of a variety of state plans to cope with Welfare Reform UNIFORMITY AND COST EFFECTIVNESS are not observed. Conspicuous by its absence is a Chief Executive recommended National Strategy using all available government and private sector resources, since this law impacts on the general US Economy. To fill this void, I have submitted the attached Concept Infopak outlining a New Dimension to Welfare Reform to the president for possible use in his quest for an enduring legacy.

I would be forever grateful for your comments and recommendations.

Sincerely,

Handwritten signature: Frank D. Martinez

Frank D. Martinez
3130 Windermere Drive
Pensacola, Florida 32503
(904) 438 7591

KNIGHT-RIDDER
CLINTON LEGACY

REPORT

Clinton hopes legacy will be improving race relations

By Jodi Enda
Knight-Ridder

WASHINGTON — Eager to leave an enduring legacy, President Clinton privately is nurturing a grandiose ambition to help remedy one of the nation's most intractable and explosive problems: race relations.

The president would like to be remembered for fundamentally altering the nature of black-white relations, both by improving the economic status of black people and by persuading Americans to change the way they view each other, White House officials say.

"There are a lot of issues that we're a little reluctant to talk about, that make us feel uncomfortable," said Mack McLarty, counselor to the president. "I think you will see President Clinton in the second term talking about these issues very aggressively and attacking them from the bully pulpit, Clinton from a policy standpoint and from the heart."



EXACTLY WHAT Clinton intends to do has yet to be determined, officials said, noting that the White House has not even hinted publicly that race relations will be a priority of Clinton's second term.

Several high-ranking administration officials told Knight-Ridder that the possibilities include: establishing a race commission to evaluate problems and recommend action; coordinating business, religious, non-profit and government groups to help welfare recipients of all races find work; and promoting state-based programs to train black men for the job market.

"This is an issue that the president feels incredibly passionate about, race and the issues of unity," said Sylvia Mathews, a White House deputy chief of staff. The president is striving, Mathews said, for "something that contributes long after he's gone."

IN THE PAST, presidents dealt with race mainly in response to crises — a burning city, the assassination of civil-rights leaders, white men blocking black children from entering a schoolhouse. The civil-rights gains of the 1960s have eased some tensions, yet race remains a cultural tinderbox easily sparked by such events as the beating of Rodney King, the acquittal of O.J. Simpson and moves to end affirmative action.

Clinton, a Southerner raised in the shadow of Jim Crow, has long been sensitive to the country's centuries-old struggle with race. But this is the first indication that he is considering a comprehensive approach to address the seemingly insurmountable problem.

"It is a huge task, but it's the one that will define him and his presidency more than any other," said the Rev. Jesse Jackson.

The question is how much Clinton can and will do.

While they support his goals, Jackson and several other black leaders and political analysts worry that the same conditions that limit his entire presidency — a tight budget and a Republican Congress — also will restrict Clinton's aspirations to change the face of race relations. Bluntly stated, they said, he won't be able to make a big difference unless he spends a lot of money.

"Although it is good for the president to remind the country that we have a problem, he is unwilling to take the specific actions that are needed to alleviate the worst problems. As a matter of fact, he exacerbated the problem when he signed the welfare bill," said Roger Wilkins, a history professor at George Mason University in Virginia.

"The biggest problems black people have are joblessness and very low income when they do work," Wilkins said. "By saying the era of big government is over, he's made it very difficult for the government to address those problems effectively."

JACKSON SAID Clinton needs to do more than he has to close the "structural gap" that keeps minorities at the bottom of the economic ladder.

"He has set the right tone. It only costs decency to set the right tone," said the civil-rights leader, from whom Clinton has sought counsel. "It costs resources to close the gap." And the president can't do it alone, Jackson said. "Congress must share that vision, and the public must share in it," he said, acknowledging that will be particularly tough with the current, conservative Congress.

Clinton aides argue that, despite dwindling resources, the administration already has moved to improve economic conditions for black people and others. They point to Clinton's deficit-reduction plan, which narrowly passed Congress in 1993, as the first step toward building the kind of economy that would open doors for minorities. They say Clinton also reduced crime, a particular bane of the black community.

"The first term, we were clearly intent on improving the economy, restoring fiscal discipline and creating jobs," McLarty said. "That goes to the heart of the problem of people who haven't had jobs."

"In the second term, the logical step is to try to move (race relations) forward," he said.

That effort will come on a number of fronts, officials said, with particular emphasis on education and welfare reform. Though details are

murky, aides said the first solid proposal that will be announced is a plan to work with businesses, non-profits, churches and states to help move people from welfare to work.

THE PRESIDENT also is contemplating the creation of a race commission, similar to the Kerner Commission of the 1960s, but has yet to make a decision, officials said. It was the Kerner Commission that warned in 1968 that America was moving toward "two societies, one black, one white, separate and unequal."

Clinton, raised by his grandparents and mother to embrace people's differences, has worked for decades to heal racial divisions and improve the lot of minorities. Transportation Secretary Rodney Slater, who grew up in Arkansas and worked for Clinton there, recalled an incident in 1982 when Clinton risked losing votes in his race for governor by refusing to attend segregated campaign events.

PLANS, POLICIES & PROCEDURES



URBAN SERVICES MALLS (USM)

A NEW DIMENSION TO WELFARE REFORM

EXECUTIVE SUMMARY

I. The URBAN SERVICES MALLS (USM) concept in attached ARTICLES OF INCORPORATION, provides a NEW DIMENSION in WELFARE REFORM and constitutes a concentrated effort to break the cycle of dependency on government welfare by the American disadvantaged community. Its goal is to convert eligible welfare recipients into a productive workforce by teaching them marketable skills through "LEARN*EARN*SERVE"(LES) training programs offered by USM, a Minority Nonprofit Organization in Pensacola, Florida.

II. Innovatingly reversing the common process of consumer going shopping for goods at the mall, the USM, in response to a simple phone call, brings the MALL services to the consumer. If repairs are involved, a "LOANER" like-item is delivered for the clients use while awaiting repairs. Such excellent services at no extra cost are rendered by the TENANT WORKSHOPS which make up the USM (See FOLDOUT at RED TAB). These shops conduct the "LES" training cited above, in addition to functioning as duly licensed tradeshops.

III. The USM concept differs from Welfare Reform programs initiated by other states in the following areas;

★ The USM, like fast-food restaurant franchising, may be adapted by any American city plagued with unemployment, drugs and crime.

★ Following austere specifications, USM may be economically housed in deactivated military facilities, vacant former K-Mart, Wal-Mart type buildings, or similar commercial real estate.

★ Unlike other Welfare Reform implementation programs offering "Tie-Over" financial assistance, reimbursement for books and training, the USM LES Programs teach Welfare Recipients EARNING POWER through a standardized system of learning Marketable Skills. A system that can be monitored periodically for effectiveness and productivity.

★ USM provide FREE DAY CARE CENTERS for children of single parents undergoing training. In some cases, even transportation.

★ USM can train Instructor-Caliber Journeyman Technicians capable of propagating their acquired training instruction to other welfare recipients to continue a perpetual DOMINO ECONOMY IMPROVEMENT EFFECT into the future.

★ State governments differ widely in Welfare Reform implementation. To soften the blow some states train, others reimburse for training. Conspicuously lacking is a National Strategy, or Blue Print recommending effective plans, policies or procedures for making adversity work in our favor by converting Welfare recipients into an asset to the economy with a potentially productive workforce of skilled individuals. USM can provide this strategy.

IV. The USM Program shall ultimately prove advantageous to the General United States Economy and no obstacles are anticipated in securing supportive seed capital for its implementation from Municipal, State, Federal, and/or Private Sector sources.

FRANK D. MARTINEZ
FOUNDER



URBAN SERVICES MALLS, INC.
 P.O.B. 11041 - PENSACOLA, FLA. 32524

A NEW DIMENSION IN WELFARE REFORM



***** contents ***** index

- * ARTICLES OF INCORPORATION FOR URBAN SERVICES MALLS, INCORPORATED A FLORIDA BASED NONPROFIT ORGANIZATION.....1
- * TYPICAL URBAN SERVICE MALL OVERVIEW (RED TAB) ..2
- * THE URBAN SERVICE MALL AS A NEW DIMENSION IN WELFARE REFORM.....3
- * WELFARE RECIPIENT RECRUITING & DRUG TESTING...4
- * TENANT/ OFF-SITE WORKSHOPS/ CENTRAL MANAGEMENT OFFICE & DAY CARE-LEARNING CENTER...5
- * SMALL BUSINESS ADMINISTRATION URBAN SERVICE MALL SUPPORT FUNCTIONS.....6
- * BUDGET & FISCAL MATTERS BRIEF.....7
- * SERVICE MALL UNIFORM/ DRESS CODE.....8
- * IMPLEMENTATION PLANS BRIEF.....9
- * URBAN SERVICES MALL FOUNDER PROFILE.....10

***** NOTHING FOLLOWS *****

ARTICLES OF INCORPORATION OF



ARTICLE 1. NAME. THE NAME OF THE CORPORATION IS
URBAN SERVICES MALLS, INCORPORATED

ARTICLE 2. DURATION. AS A PILOT CORPORATION IN A PROPOSED FEDERAL RESEARCH PROGRAM TO CONVERT WELFARE RECIPIENTS INTO A PRODUCTIVE WORKFORCE, THE DURATION OF THIS CORPORATION, IN ITS NONPROFIT FORMAT, SHALL BE LIMITED TO SEVEN (7) YEARS, AFTER WHICH TIME IT IS ANTICIPATED TO CONVERT TO A NORMAL PERPETUAL REVENUE PRODUCING ORGANIZATION, REREGISTERED BUT BEARING THE SAME NAME FOR BUSINESS PURPOSES.

ARTICLE 3. PURPOSE. a. THIS CORPORATION IS A NOT-FOR-PROFIT, MINORITY FOUNDED CORPORATION ORGANIZED IN ACCORD WITH CHAPTER 617, FLORIDA STATUTES, AND UNDER THE PURVIEW OF THE UNITED STATES DEPARTMENT OF THE TREASURY/INTERNAL REVENUE SERVICE TAX EXEMPT DIRECTIVE CHAPTER 3, SECTION 501(c)(3), AS A TRAINING ORGANIZATION SPECIALLY ORIENTED TO ASSISTING THE DISADVANTAGED MINORITIES ON WELFARE IN IMPROVING, OR DEVELOPING THEIR EARNING CAPABILITIES THROUGH A "LEARN-EARN-SERVE" PROCESS CONCEIVED BY THE FOUNDERS OF THE URBAN SERVICES MALLS CORPORATION (USM).

b. THE ULTIMATE PURPOSE OF USM SHALL BE TO IMPROVE THE SOCIOECONOMIC LIVING STANDARDS IN IMPOVERISHED URBAN AREAS PLAGUED BY UNEMPLOYMENT, CRIME, DRUG TRAFFICKING, SQUALOR AND OVER DEPENDENCE ON GOVERNMENT WELFARE, PARTICULARLY NOW THAT WELFARE REFORM WILL COMPLICATE MATTERS. BY EXERCISING ALL RIGHTS AND POWERS CONFERRED BY THE LAWS OF THE STATE OF FLORIDA UPON NONPROFIT CORPORATIONS IT SHALL BE THE FULLEST DEDICATION OF THE URBAN SERVICES MALLS CORPORATION TO MINIMIZE THE IMPACT OF THE WELFARE REFORM ACT UPON THE POOR AND THE NEEDY.

c. ABOVE SHALL BE ACCOMPLISHED BY ESTABLISHING CRASH TRAINING PROGRAMS IN A VARIETY OF TRADES NOW IN DEMAND WITHIN URBAN SERVICES MALLS WHERE MOSTLY NEEDED. THESE PROGRAMS SHALL BE THERE TO CONVERT SELECTED WELFARE RECIPIENTS INTO A PRODUCTIVE WORK FORCE THROUGH ON-THE-JOB TRAINING AND CLASS ROOM INSTRUCTION. TO PROVIDE TRAINING AND OPERATIONS FACILITIES, THE USM CORPORATION SHALL SCREEN AND SELECT, FROM THE MULTITUDE OF VACANT COMMERCIAL REAL ESTATE COMMONLY FOUND IN ABUNDANCE IN EVERY AMERICAN CITY, SUITABLE BUILDINGS WITH ALL THE NECESSARY AMENITIES, TO COVERT INTO MALL-LIKE SERVICE COMPLEXES. EACH COMPLEX SHALL LEND ITSELF TO MODIFICATIONS NECESSARY TO ACCOMMODATE A VARIETY OF TENANT WORKSHOPS TO BE CLUSTERED AROUND A CENTRAL BUSINESS MANAGEMENT OFFICE (as illustrated in fold out at RED TAB).

d. IN PROVIDING SUITABLE BUILDINGS AND RELATED FACILITIES REQUIRED FOR THE ESTABLISHMENT OF ANY URBAN SERVICES MALL, THERE SHALL BE NO NEW CONSTRUCTION OR COMMERCIAL DEVELOPMENTS WHATSOEVER. CONSTRUCTION SHALL BE LIMITED TO ANY INTERIOR OR EXTERIOR BUILDING MODIFICATION WORK TO CONFORM TO THE SERVICE MALL SYSTEM CONFIGURATION. NEW BUILDING OR MAJOR CONSTRUCTION PROJECTS SHALL NOT BE PERMITTED AS SUCH DEVELOPMENT CONSTRUCTION BREEDS RIGGED CONTRACT BIDDING, BRIBERY, KICKBACKS, NEPOTISM AND PETTY CORRUPT PRACTICES NOT CONDUCTIVE TO PUBLIC TRUST IN URBAN SERVICES MALL OPERATIONS.

e. SERVICE MALL OPERATING STAFF REQUIREMENTS, CONTRACT INSTRUCTOR CADRE, CURRICULUM, TRAINEE QUOTAS AND PROJECTIONS, AS WELL AS ORGANIZATIONAL STRUCTURE, SHALL BE COVERED IN CORPORATE BYLAWS. URBAN SERVICES MALLS, INC. SHALL NOT ENGAGE IN ANY ACTION WHICH IS NOT PERMITTED TO BE CARRIED ON BY NONPROFIT CORPORATIONS UNDER THE INTERNAL REVENUE CODE AND NO PART OF THE NET EARNINGS OF THE CORPORATION SHALL INURE TO THE BENEFIT OF, OR BE DISTRIBUTED TO ITS MEMBERS, DIRECTORS, OR OFFICERS; BUT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION TO THESE PEOPLE FOR SERVICES RENDERED, AND TO MAKE PAYMENTS AND DISTRIBUTION IN FURTHERANCE OF ITS STATED PURPOSES.

f. A SMALL BUSINESS ADMINISTRATION LIAISON OFFICE IS FORESEEN AS AN INTEGRAL PART OF THE URBAN SERVICES MALL OPERATION. ITS FUNCTION, OUTLINED IN DETAIL IN ATTACHED INDEX USM-A, SHALL BE TO ASSIST ALL TRAINEE PERSONNEL IN DEVELOPING A THOROUGH AND SOUND UNDERSTANDING OF ALL CRITERIA REQUIRED TO QUALIFY AND OBTAIN OCCUPATIONAL LICENSING, LIABILITY INSURANCE COVERAGE, AND CONTRACTOR PERMITS, AS WELL AS RECORD KEEPING, TAX PREPARATION AND INFORMATION RELATIVE TO APPLICATION FOR SMALL BUSINESS START-UP LOANS.

ARTICLE 4. MEMBERS. IN THE INITIAL FOUNDING PHASE, THE CORPORATION, BY NECESSITY, SHALL BE LIMITED TO THREE (3) MEMBERS. DURING THIS INITIAL PHASE, WHICH SHALL BE FOR THE DURATION OF ONE (1) YEAR, CORPORATE ACTION SHALL BE DEDICATED TO THE SELECTION AND APPOINTMENT OF PERMANENT MEMBERS WHO SHALL FORM AN ADVISORY GROUP OF KNOWLEDGEABLE AND PROFESSIONAL INDIVIDUALS WHO WILL FUNCTION AS A TASK FORCE CHARGED WITH THE FINAL DEVELOPMENT AND COMPLETION OF THE SERVICES MALL IN ALL OPERATIONAL ASPECTS. THIS GROUP SHALL BE HEADED BY THE FOUNDER AND/OR HIS APPOINTED PROJECT OFFICER. THESE MEMBERS SHALL BE VOTING MEMBERS AND SHALL HAVE ALL THE RIGHTS AND PRIVILEGES OF MEMBERS OF THE CORPORATION. THE BYLAWS MAY PROVIDE FOR NONVOTING MEMBERS AND WHO SHALL HAVE SUCH RIGHTS AND PRIVILEGES AS SET FORTH IN THE BYLAWS, AND WHO SHALL NOT HAVE THE RIGHT TO VOTE. THE NAME AND ADDRESS OF EACH INITIAL MEMBER IS AS FOLLOWS:

NAME	ADDRESS
FRANK D. MARTINEZ	3130 WINDERMERE DR. PENSACOLA, FL 32503
MARIA E. MARTINEZ	3130 WINDERMERE DR. PENSACOLA, FL 32503
MILLICENT M. TURNER	221 DEER AVE. NICEVILLE, FL 32578

ARTICLE 5. INITIAL REGISTERED AGENT & OFFICE. THE INITIAL REGISTERED AGENT IS FRANK D. MARTINEZ AND THE INITIAL REGISTERED OFFICE SHALL BE AT 3130 WINDERMERE DRIVE IN PENSACOLA, FLORIDA.

PAGE 3 ARTICLES OF INCORPORATION
URBAN SERVICES MALLS, INC.

ARTICLE 6. INITIAL BOARD OF DIRECTORS. PURSUANT TO CHAPTER 617, "FLORIDA NOT FOR PROFIT CORPORATIONS ACT", REQUIREMENT FOR THE NUMBER OF DIRECTORS MAY BE RAISED OR LOWERED BY AMENDMENT OF THE BYLAWS BUT SHALL, IN NO CASE, BE LESS THAN THREE(3) MEMBERS WHOSE NAMES AND ADDRESSES ARE THE SAME AS THOSE RECORDED IN ABOVE ARTICLE 4. MEMBERS.

ARTICLE 7. OFFICERS . THE OFFICERS OF THE CORPORATION SHALL CONSIST OF A PRESIDENT, SECRETARY, AND TREASURER. OTHER OFFICERS MAY BE PROVIDED FOR IN THE BYLAWS. EACH OFFICER SHALL BE ELECTED BY THE BOARD OF DIRECTORS (AND MAY BE REMOVED BY THE BOARD OF DIRECTORS) AT SUCH TIME AND IN SUCH MANNER AS MAY BE PRESCRIBED BY THE BYLAWS. THE NAME AND ADDRESS OF EACH INITIAL OFFICER OF THE CORPORATION IS AS FOLLOWS:

TITLE	NAME	ADDRESS
PRESIDENT	FRANK D. MARTINEZ	3130 WINDERMERE DR. PENSACOLA, FL
SECRETARY	MILLCENT M. TURNER	221 DEER AVE. NICEVILLE, FL
TREASURER	MARIA E. MARTINEZ	3130 WINDERMERE DR. PENSACOLA, FL

ARTICLE 8. INCORPORATORS. THE NAME(S) and ADDRESSES OF THE INCORPORATOR(S) OF THIS CORPORATION FOLLOW:

NAME	ADDRESS
FRANK D. MARTINEZ	3130 WINDERMERE DR. PENSACOLA, FL.

ARTICLE 9. NONSTOCK BASIS. THE CORPORATION IS ORGANIZED (AND SHALL BE OPERATED) ON A NONSTOCK BASIS WITHIN THE MEANING OF THE FLORIDA NOT FOR PROFIT CORPORATION ACT, AND SHALL NOT HAVE THE POWER TO ISSUE SHARES OF ANY TYPE OR CLASS OF STOCK.

IN WITNESS WHEREOF, THE UNDERSIGNED HAVE SIGNED THESE ARTICLES OF INCORPORATION ON THIS 13 DAY OF FEBRUARY OF THE YEAR, 1997.

Frank D. Martinez
Maria E. Martinez
Millicent Turner

(Signatures of Incorporators)

STATE OF FLORIDA)
COUNTY OF ESCAMBIA)

BEFORE ME PERSONALLY APPEARED FRANK D. MARTINEZ, MARIA E. MARTINEZ
MILLCENT TURNER, TO ME WELL KNOWN AND KNOWN TO ME TO BE THE PERSONS DESCRIBED IN AND WHO EXECUTED THE FOREGOING ARTICLES OF INCORPORATION AND ACKNOWLEDGED TO AND BEFORE ME THAT HE EXECUTED SAID INSTRUMENT FOR THE PURPOSE THEREIN EXPRESSED.

WITNESS MY HAND AND OFFICIAL SEAL THIS 13 DAY OF FEBRUARY 1997.

Elizabeth Crowe
NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES:
(Seal)



Elizabeth J. Crowe
My Commission CC596339
Expires: October 27, 2000

I ACCEPT DESIGNATION AS REGISTERED AGENT. *Frank D. Martinez*

The URBAN SERVICES MALL

A NEW DIMENSION TO WELFARE REFORM

The forthcoming "Show-and-Tell" session of the Governors' Welfare Reform Review Conference will reveal each states' plan to cope with the new reform law. The variety of approaches to welfare reform promises to be an acid test of American ingenuity in coping with the task of finding work for people with a variety of attitudes and reactions ranging from furious rage for ruining lucrative food stamp blackmarkets and illegal poverty fraud, to total despair for the truly needy poor who are unable to work and feed themselves.

One of the questions that surfaces in many taxpayers mind is, "How will the welfare reform act impact on the US economy?". A good question, since it is not difficult to combine family desperation with the lure of lucrative drug marketing without concern about the consequent criminal impact. Will we need another 100,000 cops?

Each state is taking the reform matter very seriously. Some readily recognize the fact that, while the economy is booming and there is an abundance of jobs available, it boils down to the fact that it is a question of skills. Not having the skills demanded by the job market, the welfare job seeker is faced with a wall of despair. Some states have aggressive training programs while others pay for training courses, books, etc. Florida, as media reports indicate, is a leading state in the "Back to work" program" by providing job seekers with telephone pagers to invite interviews and is paying for books, school supplies and even car repairs. It will be interesting to know how other states surpass Florida's innovativeness.

Conspicuous by its absence is a recommended, or suggested, Welfare Reform Law implemetation plan which the individual states could modify to meet their requirements. A plan that would insure an efficient and cost effective execution of the reform law. As it stands now, there are no provisions for periodic management review of overall program effectiveness, or progress on how the new law is contributing to the general US economy. The Governors Welfare Reform Review Conference offers an opportunity to fall back and regroup on the need for a National Strategy to implement the reform law and, since the law will impact on all of us, we must involve all available resources at federal, state, municipal and private sector levels to pitch in and resolve a major AMERICAN PROBLEM.

The attached infopak on the URBAN SERVICE MALLS Concept presents a minority attempt at creating a solution to a very difficult and complex problem. Making use of all available resources, the concept was not developed by a commission, or an adhoc group of high ranking officials but by an individual very familiar with the needs of the man at the bottom of the totem pole.

All eyes will be on the media and the outcome of the Governors Welfare Reform Review.

FRANK D. MARTINEZ

FOUNDER



PLANS, POLICIES & PROCEDURES



WELFARE RECIPIENT RECRUITING APTITUDE & DRUG TESTING

The "LEARN*EARN*SERVE" (LES) Training Programs offered to welfare recipients, and other qualified applicants, shall provide full opportunities for self improvement, ranging from learning useful and marketable skills through hands-on, on-the-job training and class room instruction, to advancing to independent small business entrepreneurs serving the general consumer public. Such benefits, as rewards for showing the fortitude to break the bonds of government welfare dependency, attract both those individuals who are capable of absorbing training instruction and those who lack the schooling background, or aptitude to learn new technologies. Since the number one priority of the URBAN SERVICES MALL'S LES Mission is to assist people to get off welfare, selecting the brightest applicants to ensure the success of LES programs, is not an operational option. Provisions shall be made to enable slower learner groups, in special classes, to absorb acceptable levels of apprentice and journeyman training.

The Recruiting Office of the Training Directorate shall bear the responsibility to conduct entrance examinations for applicant aptitude, skill, and business orientation/adaptability, as well as drug use. Applicants who test positive as drug users and agree to undergo therapy to end their addiction shall be informed that their application for USM entry is acceptable and shall be held in abeyance pending their rehabilitation and recovery treatment by the appropriate regional social service institute. This provision is necessary as studies indicate 20% to 25% of welfare recipients abuse alcohol and drugs in ways that impair their abilities to get and hold jobs. In this respect, URBAN SERVICES MALLS shall strongly encourage and assist alcohol and drug users to seek treatment and return for training after rehabilitation.

Aptitude examinations to be given to applicants shall be compiled by the Training Directorate and shall correspond to the variety of vocations in the LES training schedules of the tenant and off-site workshops. The types and varieties of these occupational specialties shall be determined by the Training Directorate and shall be based on regional job market demands. The Training Directorate shall maintain recruitment, training and individual student progress records for monthly Training Operations Review Presentations to the Mall Director and Executive Staff. These reports shall be compiled by the Office of the Mall Director as a Quarterly Review of Cost Effectiveness Analysis of "LEARN*EARN*SERVE" Training Operations for submission to URBAN SERVICES MALLS Corporate offices.

XXXXXXXXXX NOTHING FOLLOWS XXXXXXXXXXXX

PLANS, POLICIES & PROCEDURES



TENANT & OFF-SITE WORKSHOPS THE CENTRAL MANAGEMENT OFFICE

The composition of the Tenant workshops lodged within the URBAN SERVICES MALL complex, be it housed in a former K-Mart or Wal-Mart type building, or deactivated military base activity, shall be determined by extensive studies of prevailing consumer service needs peculiar to the regional area to be served. Whatever tenant workshop combination is selected in the development of a service mall, there shall always be a modern, fully equipped DAY CARE/NURSERY/LEARNING CENTER workshop to serve as the core of all service mall operations. A full description of the DAY CARE facility may be found at INDEX

The selection of tenant workshops to be incorporated into a mall activity shall be the responsibility of the board of directors, who shall also recommend to the President, candidates for appointment to positions of workshop supervisors. Supervisory positions, like other technical staffers, shall receive one (1) year contracts with renewals based on performance efficiency. Shop supervisory/instructor personnel shall be recruited from contractor sources, employment agencies, direct hire of qualified journeymen, or (preferably) welfare candidates with the necessary qualifications demanded by position job description.

All workshops within the mall complex shall be homed in to the mall's CENTRAL MANAGEMENT OFFICE (CMO), as illustrated in foldout at RED TAB. The CMO shall provide the tenant workshops a complete line of business office support on a scale they could never afford if operating on their own, and shall consist of, but not be limited to, the following;

- * Automated Touch-Tone Telephone Receptionist Service.
- * Typists, Stenos, Copier/Sorters, Desktop Publishers, Mail Svcs.
- * Computer Access to INTERNET for HOME PAGE advertising, FAX, Digital Pagers, Cellular Phones, Video Conferencing Systems.
- * Legal Assistance Counseling on Occupation Licensing, taxation, Insurance, Bonds, Etc.
- * Small Business Administration Services, see INDEX
- * Conference Room Facilities, Class Rooms, Training Facilities
- * Technical Assistance Office, Factory Rep Seminars.
- * Heavy Equipment/Power Tool Lending Service.
- * Utility Vehicle Motor Pool.
- * HIGH EXPOSURE MEDIA ADVERTISING.

The mall shall also house the organizational staff headed by the Mall Director and Plant Manager, who will share overseer management of the entire mall operation. The organizational staff shall consist of the ADMIN OFFICE, the COMPTROLLER, The LEGAL ASSISTANCE DEPARTMENT, TRAINING DIRECTORATE, MALL SAFETY & SECURITY, PUBLIC RELATIONS AND PROJECT OPERATIONS. the CENTRAL MANAGEMENT OFFICE shall report to the MALL DIRECTOR.

CONTINUED: TENANT & OFF-SITE WORKSHOPS

THE CENTRAL MANAGEMENT OFFICE

The DAY CARE/NURSERY/LEARNING Center differs from other tenant workshops in that it shall have a triple mission, -(1) as in-house free day care center for single parents undergoing USM-LES; (2) as a duly licensed and bonded DAY CARE-NURSERY Center catering its services to the general public; and (3) as a training facility for Day Care & Nursery Attendants. Contemplated as a later addition is a study hall for "Latch Key" school children to do their homework under supervision while waiting for their parents to finish their work at the USM.

Other workshops shall be responsible for the dual mission of functioning as revenue generating licensed workshops catering to the general public, while serving as training facilities conducting LES Programs. Revenue gains from all shops shall be used toward wages to be paid to trainees.

The Off-Site workshops working under the service doctrine of the USM-CMO shall consist of regular small business, licensed service providers, contracted to enter the USM-LES Training Program. Contractual agreements include partial sharing of the amenities offered to the tenant workshops by the USM-CMO. This subject further covered in the BUDGET/FISCAL MATTERS Index.

XXXXXXXXXX NOTHING FOLLOWS XXXXXXXXXXXX

PLANS, POLICIES & PROCEDURES



SMALL BUSINESS ADMINISTRATION

1. The mission of the URBAN SERVICES MALL LEARN*EARN* SERVE Programs, clearly dedicated to converting welfare recipients into skilled workers, or independent small business entrepreneurs, shall be enhanced with the assistance of the US Small Business Administration through resident SBA Representatives attached as liaison advisors to the Central Management Offices' Training Directorate, providing orientation seminars to LES Trainees in the following areas;

- a. Writing a BUSINESS PLAN to start your own business.
- b. Starting a business, use of legal forms, taxation, insurance, feasibility studies, start-up capital, licensing.
- c. Record keeping & preparation of financial statements.
- d. Seminars on DISADVANTAGED BUSINESS ENTERPRISE (DBE) and SMALL BUSINESS ENTERPRISE (SBE) Owners & Bond Guarantees.
- e. Public Relations & Business Promotion through advertising.
- f. Business opportunities through the URBAN SERVICES MALL'S monthly newsletter "SUPERSERVICES MALL BANNER" distributed to all regional postal patrons, the INTERNET HOME PAGE publication, and other multimedia applications.
- g. WOMEN ENTREPRENEURIAL NETWORK, challenging and enticing to single mothers.
- h. Special programs for DISABLED VETS, The physically handicapped, and ARC welfare recipients.
- i. Soliciting & bidding on municipal, state and federal government contracts.

2. While the required USM training is recognized as being of a considerably intensive nature, the SBA seminar curriculum is also perceived as equally demanding. In view of these two factors, the combined training course material shall be tempered with the learning aptitude and capabilities of the apprentice personnel in their designated vocations.

3. The Training Directorate shall provide the SBA representative(s) with any audio systems, visual aids, TV/Video conferencing, and conference room facilities as required to conduct classes, seminars, interactive On-Line INTERNET research and instruction, particularly in the WWW Industrial Services Areas as regards Municipal, State, and Federal contracting data bases and bidding invitations.

4. The Chief of the SBA Liaison Office shall be invited to participate in the URBAN SERVICES MALL'S Quarterly Staff Conferences to conduct a joint review evaluating all phases of training and public service operations, USM accomplishments, operational cost effectiveness indicators, innovative LES Program adjustments and Growth/Expansion Factors.

XXXXXXXXXXXXX NOTHING FOLLOWS XXXXXXXXXXXXX

PLANS, POLICIES & PROCEDURES



BUDGET & FISCAL MATTERS

Preliminary projected estimates, based on available data, foresee the URBAN SERVICES MALLS operation starting out as a government, or private sector subsidized endeavor, until such time as it gradually evolves into a self supported organization. It is planned to attract welfare recipients, who are still eligible for two years of food stamp and financial support, and enroll them in the URBAN SERVICES MALL'S LEARN*EARN*SERVE Training Programs, while still drawing their welfare assistance and hiring them at minimum wages to be paid from revenue gained from the services rendered by the tenant workshops conducting their LES training. It is estimated that their ongoing welfare support, augmented by their minimum wage earnings while training, plus free child care and transportation (in severe cases), shall provide sufficient incentive to break their welfare dependency.

The engagement of Off-Site workshops, or small business operators who want to share in the beneficial services offered by the Central Management Office to tenant workshops, broadens the scope of URBAN SERVICES MALL training operations while increasing the mall's earning power as the off-site shops will have to pay the minimum wages to the LES trainees assigned to their shops for training, this in exchange for the amenities offered to the tenant shops by the mall's CMO.

The bulk of the seed capital shall be required to establish the mall startout team of technical, legal, and administrative research advisors needed to formalize the entire operational concept. Once the pilot mall is established (foreseen in Pensacola) the completed specifications shall be available at lower costs for other communities desiring to duplicate it in their poverty stricken areas.

Maximum and intensive utilization of multimedia advertising and the quality controlled excellent services offered by the USM and its allied local small business operators (off-site workshops) may be envisioned as a catalyst stimulating the economy of a community that would otherwise continue to be plagued by unemployment, crime and drug problems.

One can easily visualize the URBAN SERVICES MALL'S LEARN*EARN*SERVE operational concept as a recurring transition of converting welfare recipients on an assembly line basis into a productive workforce proudly energizing the economy of their own community.

As compared to government handout programs where funds are given to help families over critical periods of desperation, the URBAN SERVICES MALLS are cost effective with their built-in yardstick to measure annual progress in its growing productive workforce of skilled workers and independent entrepreneurs.

XXXXXXXXXX NOTHING FOLLOWS XXXXXXXXXXXXX

PLANS, POLICIES & PROCEDURES



MALL UNIFORM/DRESS CODE

It shall be the policy of the URBAN SERVICES MALL Corporation to mandate the wearing of USM uniform garb, as prescribed by the Board of Directors for designated vocations, specifically all USM personnel having direct contact with, or exposure to, the general public.

All qualifying training candidates, contract personnel, staff associates or prospective applicants for employment shall be requested to sign an entrance agreement to accept and abide by the mandatory uniform code during the tenure of their association with URBAN SERVICES MALLS, Inc.

The mission and functions of the URBAN SERVICES MALLS are focused and dedicated to training and development of working skills to benefit the disadvantaged community. MISSION ACCOMPLISHMENT is very important toward the success of our goals and shall not be distracted in any way, shape, or form. People drawn to the URBAN SERVICES MALLS are here to learn a useful trade to break away from the bonds of welfare, and NOT, repeat NOT, to parade at their work stations in designer jeans, tank tops, T-shirts with athletic or trendy logos, mini-skirts, athletic garb, fancy hair dresses, or sneakers.

The wearing of jewelry with the prescribed USM uniforms shall be limited to engagement and wedding bands. Gold, silver, or any other sort (bracelets, ear rings, necklaces, etc) denoting personal affluency shall be forbidden. The entire URBAN SERVICES MALL concept is based on AUSTERITY and, as such, no member of its staff or student body shall openly display signs of affluency that contradict the conservative principles of the corporation. This provision exempts wrist watches as they are considered basic personal items necessary for job performance.

The wearing of the designed USM uniform not only enhances plant security requirements, but more significantly, presents a respectable and official public image of an organization that is not only providing excellent services to the general public, but is also conducting a civic mission,- IMPROVING THE QUALITY OF LIFE IN THE COMMUNITY.

Violators of the uniform code shall be warned that their second violation shall be interpreted as their desire not to comply with corporate regulations and their wishes to relinquish their position to people on the waiting list who are serious about learning a trade and are willing to wear the prescribed uniform with pride.

XXXXXXXXXX NOTHING FOLLOWS XXXXXXXXXXXX

MAKING THE URBAN SERVICES MALL

A REALITY

Brief Implementation Plans

American CONCEPT CARS, new, shinning creations of auto designers dreams, giving way to new ideas, novel forms and unique innovations, have long stood as trademarks of DETROIT. Borrowing their ingenious flair, we have created the SERVICE MALL CONCEPT! Projected as a dedicated service depot of consumer services providers, and operated by a nonprofit organization, the SERVICE MALL shall have a dual mission. Not only shall it function as a revenue producing, licensed commercial conglomerate of service providers catering to the general public but will also serve as a training facility using "Hands-On", "On-The-Job EARN*LEARN*SERVE Programs to teach selected welfare recipients trade skills now in demand by todays job market.

Patterned along the lines of fast food franchise restaurants, the specifications for an URBAN SERVICES MALL complex may be adapted for implementation by any American city afflicted with unemployment, vice, drugs and crime. As the disadvantaged community is an American social problem touching all of us, its solution will necessitate resource contributions from federal, state, municipal and private sectors.

The implementation of the first, or pilot mall is foreseen in Pensacola, Florida, in the latter part of PHASE I (30 Jun 97-30 Sep 98), pending availability of venture capital. Initial action shall consist of assembling a task force of knowledgeable consultants to review and refine all facets of the URBAN SERVICE MALL operation. This shall include a final set of specifications for a standard USM Complex that can be adapted by any US city.

It is envisioned that in PHASE II (1 Oct 98-30 Sep 99) the instruction program shall be upgraded to produce a Journeyman-Instructor skill level to be used on gifted trainees who have absorbed SBA entrepreneurial seminars and show promise of venturing forth as independent small business men. These trainees shall be given special instruction to enable them to hire and train other recruits from the welfare rolls.

The completed specifications for a standard URBAN SERVICES MALL shall be made available to any American city desiring to elevate the socioeconomic posture of their disadvantaged communities.

In managing URBAN SERVICES MALL implementation plans, it is the USM founder's intention to utilize the PERT (PROGRAMS EVALUATION AND REVIEW TECHNIQUE) Sytem, (used by the Defense Dept to manage development of the POLARIS MISSILE) to insure all aspects of mall constuction meet the most stringent building code requirements.

To avoid rigged contract bidding, kickbacks, nepotism and bribery usually associated with new building construction, the specifications shall direct use of existing buildings to house a service mall, such as deactivated military activities, or available vacant K-Mart/Wal-Mart type real estate but no new construction.

XXXXXXXXXXXXX NOTHING FOLLOWS XXXXXXXXXXXXX



THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE FOLLOWING PAGE HAS HAD MATERIAL REDACTED. CONSULT THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER FOR FURTHER
INFORMATION.

PLANS, POLICIES & PROCEDURES



FOUNDER PROFILE

Frank D. Martinez

FRANK DAVILA MARTINEZ, RETIRED GOVERNMENT LOGISTICIAN, IS A MEXICAN-AMERICAN DESCENDENT OF PRE-TEXAN UNION ANNEXATION TEJANO ANCESTRY BORN IN SAN ANTONIO, TEXAS IN 1919.

EDUCATION: HIGH SCHOOL AND WAR-TIME SPECIAL COLLEGE LEVEL COURSES IN APPLIED ELECTRONICS UNDER THE US ARMY SIGNAL CORPS' ENGINEERING, SCIENCE, AND MANAGEMENT WAR TRAINING PROGRAM DESIGNED TO PROVIDE CRITICALLY NEEDED RADAR TECHNICIANS. COMPLETED ADDITIONAL COURSES IN AMPLITUDE AND MODULATED FREQUENCY TECHNOLOGY, AND RADIO-TELETYPE TELECOMMUNICATIONS.

OWNED AND OPERATED THE TRUETEST RADIO AND APPLIANCE REPAIR IN SAN ANTONIO. RELIGION: CATHOLIC.// FAMILY: MARRIED, WIFE, SON & DAUGHTER.



REDACTED

MANPOWER RESOURCES



INDEX 4

SCREENING · APTITUDE TESTS

ORGANIZATIONAL STAFF

DIRECTOR
PLANT MGR
Plans/Policies/Procedures
SBA LIAISON
SEE INDEX 6

- Administration
- Legal Assistance
- MALL Security
- Comptroller Cost Accounting
- Training Operations
- Media / Public Relations

Tenant & Off-Site Workshops

- 01 DAY CARE/LEARNING CENTER /24 HOUR NURSERY
- HOME ELECTRONICS/ COMPUTER SYSTEMS TECHNOLOGY
- LANDSCAPING/SPRINKLER SYSTEMS
- HOME HEALTH CARE SPECIALISTS
- HOME SECURITY SYSTEMS
- 06 SMALL ENGINE REPAIRS

COMPETITIVE CONSUMER MARKET

TENANT WORKSHOPS 01-06
USM URBAN SERVICES MALLS, INC.
POB 11041 · PENSACOLA, FLA. 32524

INDEX 5
CENTRAL MANAGEMENT OFFICE
PROVIDES TENANT WORKSHOPS WITH FOLLOWING SERVICES..
■ SECRETARIAL/ TYPING/ FILING/ STENO / RECEPTIONIST
■ AUTOMATED TELEPHONE/ PAGER/ FAX/ COPIER-SORTER
■ INTERNET ACCESS/ WWW HOME PAGE/ MALL NEWSLETTER
■ LEGAL COUNSELING/ OCCU LICENSING/ INSURANCE/ BONDS
■ SMALL BUSINESS ADMINISTRATION LIAISON OFFICE
■ CONFERENCE ROOM FACILITIES/ CLASSROOMS
■ INSTRUCTOR STAFF/ HOME EXTENSION STUDY COURSES
■ TECHNICAL ASSISTANCE/ TRAINING FACILITIES
■ HEAVY EQUIPMENT AND UTILITY MOTOR VEHICLE POOL
■ HIGH EXPOSURE MEDIA ADVERTISING..
SEE INDEX 1
ARTICLES OF INCORPORATION

MARKET SCANNING
PLACEMENT OFFICE

DROPOUTS
To
Open Market

- ★ INDEPENDENT SMALL BUSINESS ENTREPRENEURS
- ★ GOVERNMENT
- ★ PRIVATE INDUSTRY
- ★ SPECIAL PROJECTS
- ★ FREELANCE WORK
- ★ CONTRACTOR

- TENANT WORKSHOPS 07-12
- 02 HOME APPLIANCE REPAIR SERVICES
- ROOFING & SIDING INSTALLATION
- HEATING-AIR CONDITIONING SYSTEMS
- HOME REPAIRS/REMODELING/STORM DAMAGE
- CONCRETE WORLD, PATIOS, WALKS, DRIVEWAYS, ETC
- 07 LAWN CARE, FERTILIZING, PEST CONTROL, TREE REMOVAL

COMPETITIVE CONSUMER MARKET



EVANGELICAL LUTHERAN CHURCH IN AMERICA

LUTHERAN OFFICE FOR GOVERNMENTAL AFFAIRS

122 C Street NW, Suite 125 • Washington, D.C. 20001-2172 • 202-783-7507 • FAX 202-783-7502

Internet: loga.parti@ecunet.org

Division
for Church
in Society

WR
ltw

April 23, 1997

The Honorable William J. Clinton
The President
The White House
Washington, D.C. 20500

Attention: Mr. Bruce Reed
Domestic Policy

Dear Mr. President:

The Evangelical Lutheran Church in America (ELCA) is a church with 11,000 congregations and a membership of more than 5.2 million. Lutheran Services in America, affiliated with the ELCA, provides services in every state of the U.S. This network of social ministry organizations is financially the largest provider of social and health care services in the country.

We were pleased to note that the budget you proposed restored at least some of the harmful cuts made in last year's welfare law. The federal budget is a moral document in that it expresses in fiscal terms what we value most in our society. It is integral to the faith of this church that both budget and tax policy reflect a preference for the poor, powerless and oppressed.

In recent years, the economic constraints of government have placed an increasingly disproportionate burden on poor and oppressed persons. As you conduct negotiations to arrive at a balanced federal budget, we urge you to make it a priority to protect poor and vulnerable people in the policy decisions that you make. We ask you to hold fast to the restorations you proposed in your budget regarding 1) food stamps, 2) legal immigrants, and 3) health care for children with disabilities.

Funding to renew expiring Section 8 contracts for low-income renters is also key to providing shelter to people in economic stress. Access to subsidized housing is extremely important to persons trying to leave the welfare system for work.

In addition, 1) moderating the food stamp cuts to legal immigrants, 2) funding the WIC program to allow service to 7.5 million persons, 3) maintaining the structure and funding of Medicaid, 4) providing

"...and for all people according to their needs."

enough funding for a children's health initiative, and 5) protecting the environment are priorities we ask you to adequately fund.

More than 90% of the cuts to entitlement programs adopted last year affect low-income people. A disproportionate amount of cuts made to non defense discretionary programs also came from programs that serve poor people. It is now time to reverse this trend.

This church and its affiliated social ministry organizations will do all it can to care for the people that lose needed support because of cuts to the life sustaining programs they have accessed in the past. However, we do not have the means to address more than a fraction of the need.

My travels to service sites and my visits with people affected by this new policy find them frightened and frustrated. They are quickly reaching a point of hopelessness. Suicides have already begun to take place in the immigrant community. The numbers seeking food assistance continue to increase. One of our social ministry organization providers indicated that in her county there were eleven jobs available and 3,000 receiving public assistance needing to find work.

We have to do better. We call upon you to stand firm in support of a budget proposal that will provide continued support to vulnerable people.

Sincerely,



Kay A. Bengston
Assistant Director for Advocacy
Domestic Policy



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809

May 2, 1997

Mr. Bruce Reed
Domestic Policy Advisor to the President
White House Domestic Policy Council
1600 Pennsylvania Avenue, N. W.
Washington, D. C. 20500

Dear Mr. Reed:

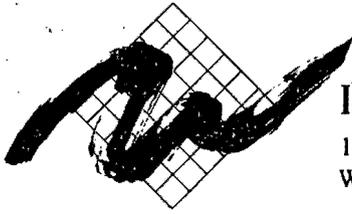
It is our understanding that the White House Domestic Policy Council staff is recommending that state Maintenance of Effort (MOE) meet Temporary Assistance to Needy Families (TANF) work, child support and data reporting requirements. The State of Hawaii is strongly opposed to the administration's proposal to limit state flexibility in the use of state MOE funds beyond those limitations currently in the welfare reform law.

In an effort to meet the requirements of the new federal law, while maintaining a minimal safety net, Hawaii has developed state funded programs to assist households we wish to protect. It was our understanding that state MOE dollars would not be encumbered by federal requirements and restrictions. This flexibility is necessary to design programs to serve the particular needs of our population and to ensure that the most vulnerable families are protected.

There seems to be a fear that states are developing state funded programs to circumvent welfare reform. Nothing could be further from the truth. States have historically been the leaders in the area of reform. We must, however, in the spirit in which this law was written, be allowed flexibility in developing our programs. If serious violations of the intent of the reform law are identified, they may be addressed in future years. It is grossly premature to impose restrictions which exceed the parameters of the law. These restrictions will significantly limit our initiative and our ability to service our population.

Sincerely,

Susan M. Chandler, M.S.W., Ph.D.
Director



INSTITUTE FOR WOMEN'S POLICY RESEARCH

1400 20th Street, NW, Suite 104
Washington, DC 20036

May 7, 1997

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

Dear President Clinton:

As you know, the Institute for Women's Policy Research (IWPR) has conducted numerous research projects that examine work opportunities for women on welfare. As a result of our research findings, we are concerned about the lack of worker protections in the new Temporary Assistance for Needy Families (TANF) "Workfare" program.

Under the former welfare system, the JOBS program provided protections based on the Fair Labor Standards Act (FLSA), Occupational Safety and Health Act (OSHA) and Title VII of the Civil Rights Act. The lack of these provisions in the TANF Workfare program could make it more difficult for individuals receiving welfare to become self-sufficient.

Researchers at IWPR have evaluated the needs of working women who are trying to earn enough money to become self-sufficient. We found that many of the jobs available to women who are not college-educated offer salaries and benefits that are inadequate to support them and their families. Our research indicates that women who tend to rely on welfare for their family's income are likely to work in female-dominated low-paying jobs, earning only a few cents more than the hourly minimum wage, on average, when they do work. These working women will be able to bring their families out of poverty only if they have relatively stable jobs that pay substantially more than the minimum wage, and if they have additional assistance such as the Earned Income Tax Credit, food stamps, child support, and/or WIC.

We are concerned that without a provision requiring that the hours a recipient works cannot exceed her grant divided by the minimum wage (similar to the provision in JOBS), Workfare participants would have to spend so many hours "working off their grants" that they would not have time to search for the higher-paying stable jobs they need to become self-sufficient.

Our research further suggests that many working women on welfare would benefit more from education and training opportunities than from placement in the temporary, unskilled jobs offered through Workfare programs. For example, graduating from high school is worth an extra \$1.78 per hour for working mothers, compared to what they would earn if they haven't

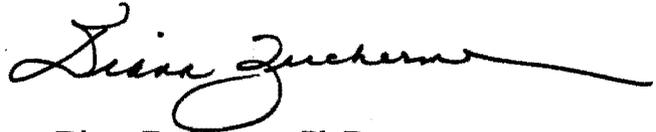


completed high school. In contrast, each year of work experience pays only a few cents per hour in additional salary, when all other factors are statistically controlled. We are therefore very concerned that educational and training opportunities will be curtailed as States expand Workfare programs to meet TANF work participation requirements.

The lack of discrimination protections also raises concern because gender discrimination keeps women in lower-paying occupations, without access to better jobs. For example, we found that jobs in male-dominated occupations pay an average of \$1.31 extra per hour compared to jobs in female-dominated occupations, when other factors are statistically controlled. When women are protected from discrimination and harassment and allowed access to these higher-wage male-dominated occupations, they can obtain the jobs and acquire the skills they need to become self-sufficient.

We encourage you and your advisors to consider these and other research results contained in the enclosed Research-in-Brief as you re-evaluate Department of Labor guidelines for TANF Workfare programs. We would, of course, be glad to provide additional information on this or other welfare-related research in progress at IWPR.

Sincerely,

A handwritten signature in black ink, appearing to read "Diana Zuckerman", with a long horizontal flourish extending to the right.

Diana Zuckerman, Ph.D.
Director of Research and Policy Analysis

cc: The Honorable Alexis M. Herman, Department of Labor
Betsy Myers, Small Business Administration Welfare to Work Program
Bruce Reed, Domestic Policy Council
Cherri Carter, White House Office of Public Liaison
Robin Leeds, White House Women's Office



Research-in-Brief

Employment Protections Needed for Workfare Participants

The Institute for Women's Policy Research (IWPR) has conducted numerous studies regarding work opportunities for women on welfare. IWPR research results raise concerns about the lack of worker protections in the new Temporary Assistance for Needy Families (TANF) "Workfare" program.

Under the former welfare system, the JOBS program provided protections based on the Fair Labor Standards Act, Occupational Safety and Health Act, and Title VII of the Civil Rights Act. The lack of these provisions in the TANF Workfare program could make it more difficult for individuals on welfare to become self-sufficient.

Jobs typically available to welfare recipients do not pay enough to raise families out of poverty.

Researchers at IWPR evaluated the needs of working women who are trying to earn enough money to support their families. According to this research:

- many of the jobs available to women who are not college-educated offer salaries and benefits that are inadequate to support them and their children (for example, women who have graduated from high school, on average, earn \$15,970 while women with only some high school education earn only \$9,824);¹
- women who tend to rely on welfare for their family's income are likely to find work in female-dominated low-paying jobs (for example, 44% are in service occupations, about half of which are cleaning jobs), where they earn only a few cents more than the minimum wage, on average;² and
- these women are able to bring their families out of poverty only if they can get relatively stable jobs that pay substantially more than the minimum wage and if they have additional assistance such as the Earned Income Tax Credit, food stamps, child support, and/or WIC.³

Minimum wage protections would help women escape poverty.

The former JOBS Fair Labor Standards provision required that the hours a recipient worked could not exceed her grant divided by the minimum wage. The new TANF Workfare program does not include this provision. Without the minimum wage protection, Workfare participants would have to spend so many hours "working off their grants" that they would not have time to search for the higher-paying stable jobs they need. In fact, IWPR research shows that women who rely on welfare unsuccessfully look for work an average of six months during a two year period.⁴

Education and training would help women prepare for work. IWPR research shows that a woman's likelihood of being employed and her hourly earnings increase significantly with each additional year of education.

For example, graduating from high school is worth an extra \$1.78 per hour for working mothers, compared to what they would earn if they haven't completed high school. In contrast, each year of work experience only pays a few cents per hour in

additional salary, when other factors are statistically controlled.⁵ Therefore, many working women on welfare would probably benefit more from education and training opportunities to prepare them for better jobs than from placement in temporary, unskilled jobs offered through Workfare programs. Unfortunately, educational and training opportunities will be curtailed as States expand Workfare programs to meet TANF work participation requirements.

Discrimination protections would help women get the substantive work experience needed to find stable jobs.

Gender discrimination keeps women in lower-paying occupations, without access to the experience needed to move into better jobs. For example, jobs in male-dominated occupations pay an average of \$1.31 per hour more than jobs in female-dominated occupations, when other factors are statistically controlled.⁶ When women are protected from sexual discrimination and harassment and allowed access to higher-wage male-dominated occupations, they can get the jobs and acquire the skills they need to become self-sufficient.

Safety provisions would help protect the life and health of Workfare participants.

Workfare participants, especially single parents, are the main source of family income, so their health and safety are critical to the survival of the family.

In conclusion, IWPR research indicates that the TANF Workfare program must include worker protections if we expect women to move from welfare to self-sufficiency. Simply providing jobs for welfare mothers will not enable them and their families to get out of poverty.

May 1997

Notes:

- ¹ U.S. Department of Commerce, Bureau of the Census, Money Income in the United States: 1995, Series P60-193, (Washington, D.C.: U.S. Department of Commerce, 1996), p.36.
- ² Institute for Women's Policy Research, An IWPR Report on Low Income Families: Survival Strategies and Well-Being, draft report to the Ford Foundation, (Washington, D.C.: Institute for Women's Policy Research, 1996), p.73.
- ³ Roberta Spalter-Roth, Beverly Burr, Heidi Hartmann, and Lois Shaw, Welfare That Works: The Working Lives of AFDC Recipients, (Washington, D.C.: Institute for Women's Policy Research, 1995), p.53.
- ⁴ Ibid, p.15.
- ⁵ Roberta Spalter-Roth and Heidi Hartmann, Increasing Working Mothers' Earnings, (Washington, D.C.: Institute for Women's Policy Research, 1991), p.40. The study, based on 1987 data, found that graduation from high school was worth an additional \$1.29. In 1996 dollars, that translates to \$1.78.
- ⁶ Ibid, p.40. The study, based on 1987 data, found that male-dominated occupations pay 95 cents extra per hour, which translates to \$1.31 in 1997 dollars.

The Institute for Women's Policy Research (IWPR) is an independent, non-profit, scientific research organization founded in 1987 to meet the need for women-centered, policy-oriented research. This Research-In-Brief was written by Shannon Garrett, Diana Zuckerman, and Heidi Hartmann and prepared by Jill Braunstein in May 1997. Members and affiliates of the Institute's Information Network receive regular reports and information, as well as a discount on all publications. For information on IWPR membership, call 202/785-5100, fax 202/833-4362, or visit our web site at <http://www.iwpr.org>.

WOMEN EMPLOYED INSTITUTE

22 WEST MONROE STREET, SUITE 1400 • CHICAGO, ILLINOIS 60603
VOICE 312.782.3902 • FAX 312.782.5249

April 25, 1997

President William J. Clinton
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear President Clinton:

On behalf of hundreds of thousands of women in poverty who will be required to meet the work requirements of Temporary Assistance for Needy Families (TANF) under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, we urge you to support employment protections for participants of "Workfare" and other work-related programs.

Most Workfare programs, which states can create to meet their TANF work requirements, require TANF recipients to work in exchange for their benefits. Unfortunately, TANF does not mention the full range of employment and anti-discrimination laws that can protect Workfare participants from unlawful conduct. Current workers who do not receive TANF are already protected by such employment laws as the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, the Pregnancy Discrimination Act, the Family and Medical Leave Act and the Occupational Safety and Health Act. Denying Workfare participants similar protections sends the intolerable message that employers need not worry about treating Workfare participants fairly or with dignity and would allow Workfare employers to benefit from the labor of Workfare participants who are trying to support their families.

In a typical Workfare arrangement, employers will get TANF recipients to work for 20 hours per week and perform any work that the employer assigns. The employer will direct the participant's work, supervise the participant, and monitor the participant's progress, but will not be required to pay the participant's wages, provide skill training or commit to hiring the participant permanently. In most cases, the employer's extensive authority to direct and control the participant's work will satisfy the legal tests, such as the "economic realities" test that courts have used to determine whether a worker is covered by a particular employment law.

If employment protections are denied to Workfare participants, then this "make work" program, which is not creating jobs, is punishing recipients. In the absence of basic employment protections, Workfare participants are treated as prisoners who may have to endure discrimination or working in unsafe and hazardous environments or risk being sanctioned and losing their TANF benefits if they do not work under these conditions.

April 25, 1997
President William J. Clinton
Page 2

In light of TANF's strict work participation requirements and our economy's lack of a sufficient number of entry-level jobs, we must create programs and policies that help women find livable wage jobs that can support women and their families. Unfortunately, many Workfare programs will not advance these goals. Workfare forces participants to work in any job without regard to whether they need additional education, pre-employment or vocational skills training, or whether that job will lead to permanent, unsubsidized employment before their time limited cash assistance expires. But, if states decide to implement Workfare programs, basic employment protections must be extended to program participants.

As you stated in your proclamation for Women's History Month, women are almost an equal share of the labor force, yet gender barriers still exist that must be broken down. Do not allow Workfare to increase the barriers that women on welfare face as they work to become self-sufficient. We count on you to insure that Workfare workers are covered by the same employment protections that our country ensures for the rest of our workforce.

Sincerely,

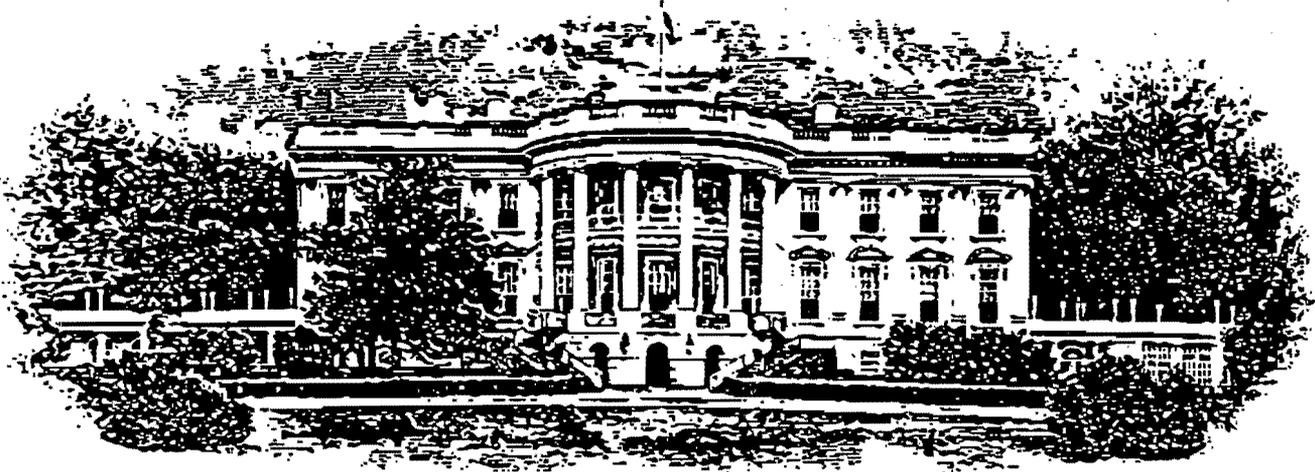
American Friends Service Committee
American Jewish Congress Commission for Women's Equity
Black Women's Agenda, Inc.
Center for Women Policy Studies
Chicago Commons Employment and Training Center
Chicago Jobs Council
Child Care Action Campaign
Clearinghouse on Women's Issues
Church Women United
Day Care Action Council of Illinois
Hadassah
Illinois Hunger Coalition
INET for Women
League of Women Voters of Chicago
League of Women Voters of Illinois
Mid America Institute on Poverty
National Association of Social Workers
National Center for the Early Childhood Workforce
National Council of Negro Women, Inc.
National Organization for Women
National Women's Conference

April 25, 1997
President William J. Clinton
Page 3

New Girl Times
North Lawndale Family Network
Poverty Law Project
Women Employed Institute

cc: Erskine Bowles, Chief of Staff
Albert Gore, Vice-President
Seth Harris, Department of Labor
Elena Kagan, Domestic Policy Counsel
✓ Cynthia Metzler, Department of Labor
Bruce Reed, Domestic Policy Counsel
Donna Shalala, Health and Human Services
Ray Uhalde, Department of Labor, Employment and Training Administration
Ellen Vargyas, Equal Employment Opportunity Commission

THE WHITE HOUSE



OFFICE OF PUBLIC LIAISON

Cheri Carter
Special Assistant To The President

Phone (202) 456-5175

FAX (202) 456-6218

Number of Pages (Including Cover): 2

Date: 3/4/97

To: Bruce Reed

FAX Number: x62878

Phone Number: _____

From: Cheri Carter

Comments: Found response letter
Rahm referenced in his note -
it will be delivered to Tisch by
Daley at event Wed. pm per
Daley's request.

THE WHITE HOUSE

WASHINGTON

March 3, 1997

Mr. Jonathan M. Tisch
Chairman
Travel Business Roundtable
9th Floor
3 East 54th Street
New York, New York 10022

Dear Jon:

Thank you so much for your letter regarding the travel and tourism industry's desire to help provide opportunity to those who are trying to move from welfare to a life of independence. I have shared your thoughtful letter with my staff.

It is heartening to see the assistance and encouragement that business leaders like you are offering to those who need it. I commend you for your community involvement. We have a historic opportunity to end welfare as we know it and replace it with a system that offers hope, demands responsibility, and rewards work. It is now up to all of us to work together to ensure that welfare is a second chance, not a way of life. I extend my deepest thanks for your commitment to this cause.

Sincerely,





JEWISH COMMUNITY RELATIONS COMMITTEE
JEWISH FEDERATION COUNCIL OF GREATER LOS ANGELES
6505 WILSHIRE BOULEVARD, LOS ANGELES, CA 90048 • (213) 852-7730 • FAX (213) 651-3250 • jfccrc@cerf.net

Urgent

December 13, 1996

Bruce Reed
Domestic Policy Advisor
The White House
Washington DC 20500

Dear Mr. Reed:

I understand that the Administration will be making some decisions shortly regarding corrective action to the Welfare Reform legislation. Therefore, I am sending this urgent message to share with you the Jewish community's deep concern about the impact of Welfare Reform on our refugee community.

President Clinton stated, when he signed the welfare reform statute into law, that the legislation was far too harsh in its treatment of legal immigrants and refugees, and that he would seek corrective action during the 105th Congress.

We understand that the vehicle for such action is President Clinton's budget proposal for the next fiscal year and that there is \$13 billion to pay for these modifications as part of the large 5 year budget deal. We urge that the currently available dollars be used for the following permanent fixes:

- 1) Extending the 5 year exemption for refugees and asylees for an additional 2 years so that they have ample time to complete the naturalization process.
- 2) Protecting refugees and legal immigrants who become disabled after entering the United States.
- 3) Exempting refugees and legal immigrants who arrived in the United States prior to August 22, 1996 and who are over the age of 70.
- 4) Exempting children from Medicaid restrictions.

Paying for these permanent fixes in this year's budget deal represents the best opportunity to secure these changes. We urge you to use the full \$13 billion for permanent improvements to the immigrant provisions.

Sincerely,

Carmen H. Warschaw

CARMEN H. WARSCHAW, Chair

MEMBER NATIONAL JEWISH COMMUNITY RELATIONS ADVISORY COUNCIL
RECIPIENT OF UNITED JEWISH FUND

CHAIR

CARMEN H. WARSCHAW

EXECUTIVE DIRECTOR

MICHAEL A. HIRSCHFELD

ASSOCIATE DIRECTOR

FRADYA REMBAUM

HONORARY CHAIRS

RABBI HARVEY I. FIELDS

MARK A. SPIEGEL

MARCIA F. VOLPERT

HOWARD MILLER

MARSHALL B. CROSSMAN

RABBI JACOB M. OTT

RICHARD S. VOLPERT

MAXWELL E. GREENBERG

JUDGE ROBERT WEIL

MARTIN GANG

FIRST VICE CHAIR

HOWARD I. FRIEDMAN

VICE CHAIRS

JUSTICE NORMAN L. EPSTEIN

RICHARD A. GIESBERG

OSIAS C. COREN

JUDGE JACK M. NEWMAN

ALAN SIEROTY

HOWARD WELINSKY

ROSALIND WYMAN

HONORARY VICE CHAIRS

TED KANNER

JOSEPH ROOS

EDWARD SANDERS

ABRAHAM SPIEGEL

EXECUTIVE COMMITTEE

NETTIE HECKER

DIANNE BENVENISTE

DONNA BOJARSKY

EDWIN BRENNGLASS

JERRY EPSTEIN

JACK D. FINE

JUDGE TERRY FRIEDMAN

RABBI DONALD M. COOR

ANITA HIRSH

STANLEY HIRSH

LINDA KAUFMAN

ABBY J. LEIBMAN

JANE LIPSTONE

VIRGINIA MAAS

DOUGLAS E. MIRELL

IONATHAN MITCHELL

STEVEN A. NISSEN

UZZI RANAAN

JEFFREY A. SEYMOUR

TERRI SMOOKE

ARTHUR P. STERN

ANDREA WAGNER

IRENE WEIBEL

STAFF

ELAINE ALBERT

ADINE OBERLANDER FORMAN

DEBBIE PINE

AUDREY E. STEINHAUS

LEE H. WALLACH

JEWISH FEDERATION COUNCIL

PRESIDENT

HERBERT M. GELFAND

EXECUTIVE VICE PRESIDENT

JOHN R. FISHEL

ASSOCIATE EXECUTIVE

VICE PRESIDENTS

WILLIAM S. BERNSTEIN

JACK KLEIN

BOARD OF DIRECTORS

ELLIOT BENJAMIN	LEE WILLIAM LEADER
DR. STUART BERNSTEIN	DONALD L. LEVIN
AARON BREITBART	ETHEL LOZABNICK
PROFESSOR GERALD B. BUBIS	SAUNDRA MANDEL
CARRYL CARTER	BURT MARGOLIN
EUNICE A. CHESLER	MARTIN NACHIMSON
JOSEPH A. CISLOWSKI	JOHN F. NICKOLL
LINDSAY CONNER	DAVID NOVAK
ROSLYN COOPERMAN	JAN C. PERRY
EDWARD A. DREYFUS	RABBI STEVEN CARR REUBEN
VALERIE FIELDS	JEFFREY A. SCHWARTZ
SIMON FRUMKIN	ISAAC STARKMAN
ROBERT GACH	HOPE WARSCHAW
DOUGLAS F. GALANTER	BERNARD WEISBERG
MILTON GAN	DAVID WEST
ANNA GELLER	BETTY WILSON
PHILIP GERSHATER	SANDOR L. WINGER
JEANINE GOLDBERG	MEL WYNN
DOUGLAS GOLDEN	BARBARA YAROSLAVSKY
ROSLYN GOLDSTINE	ROSALIE ZALIS
BORIS Z. CORBIS	JONATHAN ZASLOFF
EVON G. GOTLIEB	
ARLEN GUNNER	EX-OFFICIOS
DONNA HAAS	MARCIA ANTOPOL
SIVAN HAMBURGER	RABBI ROBERT K. BARUCH
SARAH HARWICK-FEDER	RABBI ABRAHAM COOPER
BURT HERMAN	RABBI PAUL DUBIN
NATHAN HOCHMAN	RABBI GARY GREENEBAUM
DOUGLAS JEFFE	RABBI ALAN KALINSKY
STANLEY KANDEL	RABBI MARVIN LABINGER
DEBORAH KATTLER KUPETZ	DAVID LEHRER
CECILIA KATZ	CAROL LEVY
HELEN KATZ	RABBI JANET MARDER
ROBIN M. KRAMER	SANDRA RUBENSTEIN
LAURA LAKE	SAM WITKIN

610.644.6970

HOUSEKEEPING

Trained • Supervised • Bonded

Life Works, Ltd.
a get-back-to-work company

Jim Mullen 610.789.8922

41 Landmark Drive • Malvern, PA 19355

Train/Job Readiness

31 October 1996

Bruce Reed
Office of the President
Welfare-Policy Advisor
The White House
Washington DC 20500

Jeff

Mr. Reed,

The purpose of this letter is to gain information regarding funding for organizations that train and employ former welfare recipients.

LifeWorks has done this since Sept 1994 with funding from my partner. We work with the women as they are released from the shelter, most are also recovering addicts. We are a non-profit 501-C-3.

There are two articles enclosed, one is about LifeWorks and the other is about a company in New York that refers to "governmental funding"(page one end of second paragraph)

Today we have ¹¹~~nine~~ people, off welfare, working and paying taxes. Our average worker has been with us for 18 months.

Look forward to speaking with someone about the funding that is available to help us cover operating costs and allow for expansion.

Jim Mullen

Jim Mullen
1209 Cornell Ave
Drexel Hill, PA 19026
610.789.8922

At LifeWorks, top mission is helping women pick up the pieces

Here, those gluing their lives back together can find jobs. For some, the effect is profound.

By Kristi Nelson
INQUIRER CORRESPONDENT

MALVERN — For most people it might be a routine step, but for Vera Davis, it was a sign of her recent success: Her first bank account, at age 31.

It came after more than a decade of addiction to alcohol and crack cocaine, a decade that ended with rehabilitation and a bed at the Eliza Shirley House, a homeless shelter on Arch Street in Philadelphia.

It was there that she found out about LifeWorks, a nonprofit organization based in Malvern that trains and pays homeless women to be professional cleaners.

Through LifeWorks, Davis found her first real job. She has moved out

of the shelter, bought a car, and now lives in her own apartment in Philadelphia. She is engaged to be married — to a drug counselor — and expects to buy a four-bedroom house later this year to accommodate her five children, who feared her when she was an addict.

"It took me 15 years to realize I had a problem — thank God it wasn't too late," Davis said recently as she stood in the sunny entryway of the Abington Art Center, where she and co-worker Rhonda Wilson cleaned last week. "It's like I'm born all over again."

LifeWorks is headed by Malvern resident Ruth Finley, 53. She said she got the idea after her brother-in-law, the director of the Eliza Shirley shel-

ter, contacted her about a challenge he and the women at the shelter faced. "He told me about all these women who were pulling their lives together and they couldn't find work," she said. "And they were willing to clean."

The organization, advertised through church bulletins and word of mouth, started last September with three women from the shelter, all of whom were recovering from substance abuse.

It now employs about 10 women, most often in private homes. The Abington Art Center, where Davis and Wilson worked last week, is a new client.

"We're taking the most hard-core unemployed," Finley said.

Only a few have high school diplomas. Some are illiterate. One has a prison record. But they all want to work, she said.

For Davis, having a steady job that

she enjoys has changed her attitude.

"It's gotten me off welfare and I look forward to getting up and coming to work," she said. Davis was on welfare for 15 years, she said.

Her relationship with her children has also improved.

While not all the women who have joined LifeWorks have been as successful, many have seen important changes in their lives.

"They've gone from being totally dependent on the government for everything to paying taxes and Social Security, most of them for the first time in their lives," Finley said.

Rhonda Wilson, 37, a quiet woman with a big, friendly smile, moved out of a City Avenue shelter three weeks ago. There, she had learned to like herself and be responsible, she said. Part of the remedy was to get a job. She heard about LifeWorks three months ago and asked if she could join.

"I didn't have no self-esteem at all before I came to LifeWorks," Wilson said emphatically, shaking her head. Like Davis, she said she was a little scared at the beginning.

"First, when I started, I thought I couldn't do the job. I wasn't used to a steady job," Wilson said. The LifeWorks paycheck was her first, and she, too, has opened her first savings account.

Now Wilson wants to train to be a rape counselor. She was a victim of rape during her addiction, she said. She also wants to continue to work with LifeWorks.

Finley said the turnover rate since the program started was about 60 percent.

Some women have gone back on welfare because they feel they can do just as well financially that way, she said. LifeWorks pays the women \$7.50 to \$7.75 an hour, with no benefits.

10. Jim Mullen - this is from the Wall Street Journal
 Monday October 14, 1996
 Happy Columbus Day

651.4925

P.01

ENTERPRISE

Teaching Job-Hunting Basics to Trim Welfare Rolls

By MICHAEL SELZ

Owners of a single small business rarely find themselves at the center of a national debate. But as the U.S. overhauls its welfare programs, just that is happening to Peter Cove and Lee Bowes.

The married couple own America Works, a private employment agency in New York City that challenges old beliefs about finding jobs for welfare recipients. The company shuns the tradition of enrolling welfare recipients at taxpayer expense in basic education and vocational-training programs that last for months. Instead, it concentrates on helping welfare recipients get and keep jobs—skills that it believes the traditional approach neglects—and says it has found work for 12,000 welfare recipients in New York, Connecticut and Indiana since it was founded in 1984. The company, which collects \$5,000 to \$5,500 from governmental agencies for each placement, says annual revenue has reached \$7 million, double the level three years ago.

Now that a national law will terminate cash payments to most welfare recipients after five years, policy makers urgently want to know how to get welfare recipients onto payrolls and are looking to America Works, among others, for answers. "America Works is an important success story that we would like to duplicate elsewhere," says Bruce Reed, President Clinton's chief welfare adviser.

America Works, which itself employs 28 people, has a simple strategy: It advertises for welfare recipients looking to work, brushes up their job-search skills in a five-day seminar and sends them off to interview for positions that it has pinpointed as suitable. Once the job applicant is hired, America Works meets frequently with employers and workers to resolve problems that may endanger the new job.



Lee Bowes and Peter Cove

One of the company's bigger success stories is Valerie Smith, who began earning \$8.50 an hour in 1994 as an attendant at a New York University cafeteria managed by Aramark Corp., a large food service concern in Philadelphia. Until then, the single mother had received public assistance intermittently for 15 years.

Since being hired, Ms. Smith has received a merit raise pushing her pay to \$10 an hour and is "next in line for a promotion," says her boss, Eric Savoie. He says the assistant manager's position Ms. Smith would assume pays \$30,000 to \$32,000 a year.

"I want to move up as fast as I can," says the 38-year-old Ms. Smith. "A few months ago, she could finally afford to rent her own apartment."

Unlike programs that merely train welfare recipients and are compensated whether the trainees succeed at work or not, America Works gets most of its compensation only after the jobholder has worked for a probationary period of at least six weeks. "We get paid for product instead of process," Mr. Cove says. "That scares the daylights out of the old social-welfare industrial complex."

More than 80% of the people America Works places in New York state are still off welfare more than a year later, a state study found; by contrast, at one public training program in the city of New York, fewer than 10% of the participants keep their jobs for that long, a Columbia University study found.

Proponents of traditional training programs say America Works attracts the most employable welfare recipients, who would find jobs anyway. The company's results "shouldn't be oversold," says David Jones, president of Community Service Society, a nonprofit antipoverty advocacy group in New York.

Mr. Jones doubts the company's approach will help the worst-case welfare recipients, such as "someone who's been bounced around for years as a state ward in our foster-care system and doesn't have even a high-school education." He argues the government should try to remedy their lack of education; others, however, point out that there inevitably will be some

Please Turn to Page B2, Column 3

10-15-1996 15:19

America Works (a) 529-2900 - 10-16-96 - call Richard G. renewed } (Coordinator)
 (a) 244-5627 10-23-96 - Stinky Page } Donating by
 21-34-10-25-96 - 4m Tony Hill }