

Welfare Meeting

	PHONE	FAX	DOB	
<u>CDF</u> - Contact: Kim Laverdy				
Marian Wright Edelman	(202) 662-3500	(202) 662-3580		
Cliff Johnson	(202) 662-3500	(202) 662-3550		
<u>CBPP</u> - Contact: Betty				
Bob Greenstein	(202) 408-1080	(202) 408-1056		
Ellen Nissenbaum	(202) 408-1080	(202) 408-1056		
<u>AFSCME</u> - Contact: Gloria				
Gerry McEntee	(202) 429-1100	(202) 429-1102		
<u>AARP</u> - Contact: Angela				
John Rother	(202) 434-3704	(202) 434-3714		
David Certner	(202) 434-3760	(202) 434-3758		
<u>FRAC</u> - Contact: Kathleen				
Rob Fersh	(202) 986-2200	(202) 986-2525		
<u>LDCCR</u> - Contact: Lisa				
Ralph Neas	(202) 466-2211	(202) 466-3435		
<u>ARC</u> - Contact: Evelyn Powell				
Paul Marchand	(202) 785-3388	(202) 467-4178		

P6/(b)(6)

White House

CHR

Reed

Stephanopoulos

Angell

Chow

Apfel

Emerson

Herman

EXECUTIVE OFFICE OF THE PRESIDENT

12-May-1995 10:20am

TO: Cathy R. Mays
FROM: Mail Link Monitor
Office of Administration, IST
SUBJECT: CONFIRMATION: APPT. REQUEST FOR REED, BRUCE N

FROM: WAVES OPERATIONS CENTER - ACO: (b)(7)(e)
Date: 05-12-1995
Time: 10:14:41

This message serves as confirmation of an appointment for the visitors listed below.

Appointment With: REED, BRUCE N
Appointment Date: 5/15/95
Appointment Time: 12:00:00 PM
Appointment Room: 211
Appointment Building: OEOB
Appointment Requested by: MAYS CATHY R.
Phone Number of Requestor: 66515
Comments:

WAVES APPOINTMENT NUMBER: U63358

If you have any questions regarding this appointment, please call the WAVES Center at 456-6742 and have the appointment number listed above available to the Access Control Officer answering your call.

TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 20
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 20

- CERTNER, DAVID
- COHEN, DAVID
- COONEY, EDWARD
- EDELMAN, MARIAN
- EZROW, DANIEL
- FERSH, ROBERT
- FORD, MARTHA
- GREENSTEIN, ROBERT
- JOHNSON, CLIFF
- LOVELESS, CHUCK

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MARCHAND, PAUL
MCENTEE, GERRY
NEAS, RALPH
NISSENBAUM, ELLEN
POLLACK, RON
ROTHER, JOHN
SAPERSTEIN, DAVID
STEINMETZ, SUSAN
WEILL, JAMES
WERTHEIMER, FRED

P6/(b)(6)

EXECUTIVE OFFICE OF THE PRESIDENT

05-May-1995 12:05pm

TO: Cathy R. Mays
FROM: Mail Link Monitor
Office of Administration, IST
SUBJECT: CONFIRMATION: APPT. REQUEST FOR REED, BRUCE N

FROM: WAVES OPERATIONS CENTER - ACO: (b)(7)(e)
Date: 05-05-1995
Time: 12:02:13

This message serves as confirmation of an appointment for the visitors listed below.

Appointment With: REED, BRUCE N
Appointment Date: 5/8/95
Appointment Time: 12:00:00 PM
Appointment Room: 216
Appointment Building: OEOB
Appointment Requested by: MAYS CATHY R.
Phone Number of Requestor: 66515
Comments:

WAVES APPOINTMENT NUMBER: U60887

If you have any questions regarding this appointment, please call the WAVES Center at 456-6742 and have the appointment number listed above available to the Access Control Officer answering your call.

TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 12
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 12

- CERTNER, DAVID
- COHEN, DAVID
- COONEY, EDWARD
- EDELMAN, MARIAN
- EZROW, DANIEL
- FERSH, ROBERT
- FORD, MARTHA
- GREENSTEIN, ROBERT
- JOHNSON, CLIFF
- LOVELESS, CHUCK

P6/(b)(6)

MARCHAND, PAUL
POLLACK, RON

P6(b)(6)

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

05-May-1995 01:11pm

TO: Cathy R. Mays
FROM: Mail Link Monitor
Office of Administration, IST
SUBJECT: CONFIRMATION: APPT. REQUEST FOR REED, BRUCE N

FROM: WAVES OPERATIONS CENTER - ACO: (b)(7)(e)
Date: 05-05-1995
Time: 13:06:57

This message serves as confirmation of an appointment for the visitors listed below.

Appointment With: REED, BRUCE N
Appointment Date: 5/8/95
Appointment Time: 1:00:00 PM
Appointment Room: 216
Appointment Building: OEOB
Appointment Requested by: MAYS CATHY R.
Phone Number of Requestor: 66515
Comments:

WAVES APPOINTMENT NUMBER: U60955

If you have any questions regarding this appointment, please call the WAVES Center at 456-6742 and have the appointment number listed above available to the Access Control Officer answering your call.

TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 7
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 7

MCENTEE, GERRY
NEAS, RALPH
NISSENBAUM, ELLEN
ROTHER, JOHN
SAPERSTEIN, DAVID
STEINMETZ, SUSAN
WERTHEIMER, FRED

P6/(b)(6)

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

08-May-1995 11:07am

TO: Cathy R. Mays
FROM: Mail Link Monitor
Office of Administration, IST

SUBJECT: CONFIRMATION: APPT. REQUEST FOR REED, BRUCE N

FROM: WAVES OPERATIONS CENTER - ACO: (b)(7)(e)
Date: 05-08-1995
Time: 11:03:14

This message serves as confirmation of an appointment for the visitors listed below.

Appointment With: REED, BRUCE N
Appointment Date: 5/8/95
Appointment Time: 12:00:00 PM
Appointment Room: 211
Appointment Building: OEOB
Appointment Requested by: MAYS CATHY R.
Phone Number of Requestor: 66515
Comments:

WAVES APPOINTMENT NUMBER: U61496

If you have any questions regarding this appointment, please call the WAVES Center at 456-6742 and have the appointment number listed above available to the Access Control Officer answering your call.

TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 1
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 1

WEILL, JAMES

P6(b)(6)

EXECUTIVE OFFICE OF THE PRESIDENT

24-Apr-1995 09:20am

TO: Cathy R. Mays
FROM: Bruce N. Reed
Domestic Policy Council
SUBJECT: Cancel the 12pm mtg

You're going to hate this, but Carol says we should cancel the noon mtg, and say the following:

1. Bruce and Carol have been called into mtgs to respond to the Oklahoma City crisis.
2. We should reschedule for next Monday, where we can hear a full update on activities during the recess. We will have someone from the economic team there to discuss the Admin's strategy on the budget resolution.

Thanks!

CHILDREN'S DEFENSE FUND

25 E Street, NW
Washington, DC 20001

To: Cathy Mays
From: Kim Lafferty *KL*
Date: 4/28/95
Fax: 456-~~6515~~ 5557

pages (including cover):

If any problems with transmittal, please call 202-662-3507
faxed from 202-662-3580

COMMENTS:

Dear Cathy:

Here is the list of attendees list for 12noon meeting on
May 1.

attendees

Marian Wright Edelman
Cliff Johnson
Fred Wertheimer
David Cohen
David Certner
add - Edward Cooney
Chuck Loveless
Bob Greenstein
Susan Steinmetz
add - Paul Marchand
Ron Pollack,

dob/organization

 CDF
CDF
Common Cause
Advocacy Institute
AARP
FRAC
P6/(b)(6) AFSCME
CBPP
CBPP
The Arc
- Families USA

Thanks.

CHILDREN'S DEFENSE FUND

25 E Street, NW
Washington, DC 20001

To: Cathy Mays
From: Kim Lafferty
Date: 4/17/95
Fax: 456-6515

If any problems with transmittal, please call 202-662-3507
faxed from 202-662-3580

COMMENTS:

Dear Cathy:

Here is the attendees list for 12noon meeting on April 17 in
OEOB room 211.

- Marian Edelman
- Cliff Johnson
- Rob Fersh
- David Saperstein
- Chuck Loveless
- Bob Greenstein
- Susan Steinmetz
- Paul Marchand



Thanks - have a good day.

Kim

Welfare Meeting
Monday, April 17, 1995
12:00 noon, OEOB, Room 211

ATTENDEES

Marian Wright Edelman, CDF
Cliff Johnson, CDF
Daniel Ezrow, CDF
Bob Greenstein, CBPP
Susan Steinmetz, CBPP
Ellen Nissenbaum, CBPP
Gerry McEntee, AFSCME
Chuck Loveless, AFSCME
John Rother, AARP
David Certner, AARP
Robert Fersh, FRAC
Ralph Neas, LDCCR
Paul Marchand, ARC
David Cohen, Adv. Institute
David Saperstein, Religious Action
Fred Wertheimer
Mary Jo Bane, HHS

White House

Barabara Chow
George Stephanopoulos
Rahm Emanuel
Carol Rasco
Ken Apfel
Marcia Hale
Laura Tyson
Alexis Herman
John Emerson
John Angell

LIST OF ATTENDEES
FOR
WELFARE REFORM BRIEFING
FEBRUARY 29, 1996

GOVERNORS' STAFF

Katie Whelan	Democratic Governor's Association
Doug Richardson	"
Maura Cullen	Governor Carper
Martha Stewart	Governor Knowles
Max Parker	Governor Tucker
Alan Salazar	Governor Romer
Debbie Kilmer	Governor Chiles
Karen Hogan	"
Tina Coria	Governor Miller
John Hasselman	Governor Gutierrez
Ted Nakata	Governor Cayetano
Jeff Viohl	Governor Bayh
Pat Miller	Governor Patton
Ben Jeffers	Governor Edwards
Peter Kyriacopoulos	Governor Glendening
Susan Harris	Governor Carnahan
Tom Litjen	Governor Nelson
Nicole Lamboley	Governor Miller
Leo Penne	"
Debbie Bryant	Governor Hunt
Jean Thorne	Governor Kitzhauber
Kirsten Deshler	Governor Rossello
Bob Rogan	Governor Dean
Jan Shinpoch	Governor Lowry
Judy Margolin	Governor Caperton

GOVERNMENT OFFICIALS

Ken Apfel	Office of Mgt. & Budget
Bruce Reed	White House
Cheryl Macias	U.S. Dept. of Agriculture
Yvette Jackson	"
John Monahan	Health and Human Services
Rich Tarplin	"
Wendell Primus	"
Mary Jo Bane	"

AGENDA
FOR
WELFARE REFORM BRIEFING
(February 29, 1996)

- | | | |
|----|---|-------------------------------|
| 1. | Introduction | John Monahan |
| 2. | Administrative Overview on Welfare Reform | Bruce Reed & Ken Apfel |
| 3. | HHS Issues | Mary Jo Bane |
| 4. | USDA Issues | Yvette Jackson & Chery Macias |

Welfare Meeting
Monday, April 10, 1995
12:00 noon, OEOB, Room 211

ATTENDEES

Marian Wright Edelman, CDF
Cliff Johnson, CDF
Bob Greenstein, CBPP
Susan Steinmetz, CBPP
Ellen Nissenbaum, CBPP
Gerry McEntee, AFSCME
Chuck Loveless, AFSCME
John Rother, AARP
David Certner, AARP
Robert Fersh, FRAC
Ralph Neas, LDCCR
Paul Marchand, ARC
David Cohen, Adv. Institute
David Saperstein, Religious Action

Debbie Fine (for Alexis)
Mary Jo Bane

White House

Barabara Chow
George Stephanopoulos
Rahm Emanuel
Carol Rasco
Ken Apfel
Marcia Hale
Laura Tyson
Alexis Herman
John Emerson
John Angell

EDELMAN, Marian
JOHNSON, Cliff
GREENSTEIN, Robert
NISSENBAUM, Ellen
MCENTEE, Gerry
ROTHER, John
CERTNER, David
FERSH, Robert
NEAS, Ralph
MARCHAND, Paul
STEINMETZ, Susan
LOVELESS, Chuck
COHEN, David
SAPERSTEIN, David
BANE, Mary Jo

P6/(b)(6)

MEMORANDUM FOR DISTRIBUTION

FROM: Carol H. Rasco
Bruce Reed

SUBJECT: Welfare Meeting

As a follow up to the meeting held today on this issue, there will be another meeting on **Monday, April 10, 12:00-1:00 in OEOB Room 211**. We pledge to begin this meeting on time and the meeting will last no longer than one hour.

Although we have clearance information for those persons who attended the meeting today, we would appreciate your calling Cathy Mays at 456-6515 to RSVP for Monday's meetings. We expect to receive additional names and clearance information from Marian.

Distribution:

Marian Wright Edelman
Bob Greenstein
Paul Marchand
John Rother
David Certner
Rob Fersh
Ellen Nissenbaum
Cliff Johnson
Gerry McEntee
Ralph Neas
George Stephanopoulos
John Angell
Barbara Chow
Ken Apfel
John Emerson
Alexis Herman

Welfare Meeting
Monday, April 10, 1995
12:00 noon, OEOB, Room 211

ATTENDEES

Marian Wright Edelman, CDF
Cliff Johnson, CDF
Bob Greenstein, CBPP
Susan Steinmetz, CBPP
Ellen Nissenbaum, CBPP
Gerry McEntee, AFSCME
Chuck Loveless, AFSCME
John Rother, AARP
David Certner, AARP
Robert Fersh, FRAC
Ralph Neas, LDCCR
Paul Marchand, ARC
David Cohen, Adv. Institute
David Saperstein, Religious Action

Debbie Fine (for Alexis)
Mary Jo Bane

Barbara Chow

George S.

Rahm

Ken Apfel / OMB

Marcia Hale

Laura Tyson

THE WHITE HOUSE
WASHINGTON

FAX COVER SHEET

OFFICE OF THE ASSISTANT TO THE PRESIDENT FOR DOMESTIC POLICY
SECOND FLOOR, WEST WING
THE WHITE HOUSE
WASHINGTON, DC 20500
(202)456-2216 PHONE
(202)456-2878 FAXTO: Cathy May
FAX #: 67431
FROM: [REDACTED] Boz
DATE: 4/5/95NUMBER OF PAGES (including cover sheet): 3COMMENTS: This is the list of folks who attended today's meeting, and a cc of the notice that I am faxing out today.If you have any problems with the fax transmission, please call at (202)456-2216.

The document accompanying this facsimile transmittal sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying or distribution, or the taking of any action in reliance on the contents of this communication is strictly prohibited.

Prep Mtg @ 5:00 pm
today (4/4/95)

CHILDREN'S DEFENSE FUND

To: Jennifer Palmieri

From: Kim Lafferty

Date: April 4, 1995

Fax: 456-1121

Dear Jennifer:

Here is a list of attendees for the meeting tomorrow in Mr. Panetta's office at 2:00pm.

- Marian Edelman (CDF)
- Cliff Johnson (CDF)
- ✓ Bob Greenstein (CBPP)
- Ellen Nissenbaum (CBPP)
- Gerry McEntee (AFSCME)
- ✓ John Rother (AARP)
- ✓ David Certner (AARP)
- ✓ Rob Fersh (FRAC)
- Ralph Neas (LDCCR)
- ✓ Paul Marchand (ARC)



Please call if you have any questions. Thanks.

MEMORANDUM FOR DISTRIBUTION

FROM: Carol H. Rasco
Bruce Reed

SUBJECT: Welfare Meeting

AP02
Change

As a follow up to the meeting held today on this issue, there will be another meeting on Monday, April 10, 12:00-1:00 in OEOB Room 211. We pledge to begin this meeting on time and the meeting will last no longer than one hour.

Although we have clearance information for those persons who attended the meeting today, we would appreciate your calling Cathy Mays at 456-6515 to RSVP for Monday's meetings. We expect to receive additional names and clearance information from Marian.

'yes' or 'no'

Distribution:

- Marian Wright Edelman
- Bob Greenstein
- Paul Marchand
- John Rother
- David Gerther
- Rob Fersh
- Ellen Nissenbaum
- Cliff Johnson
- Gerry McEntee
- John Angell
- Barbara Chow
- Ken Apfel
- John Emerson
- Alexis Herman

<i>Yes</i>	P6/(b)(6)
<i>Yes</i>	

Relevant

- CBPP* Susan Steinmetz
- Emily Bronberg +*
- Katrina Tash*
- Melissa*
- Rae*

P6/(b)(6)

S

EXECUTIVE OFFICE OF THE PRESIDENT

05-Apr-1995 04:25pm

TO: Cathy R. Mays

FROM: Carol H. Rasco
Economic and Domestic Policy

CC: Bruce N. Reed
CC: Jeremy D. Benami
CC: Rosalyn A. Miller
CC: Julie E. Demeo

SUBJECT: welfare meeting

Because Bruce may not get back before you would get calls and be able to explain to you the follow up meeting for Monday, June 10, here is the scoop before you get any calls. We have quickly here surveyed the groups present today at 2 p.m. and have set the follow up meeting. THE meeting notice from Bruce and me will have people rsvp to you.

Before the notices are faxed out Rosalyn will send to you the list, the clearance info we have, and you and Roz can coordinate getting any additional info. For future meetings I will depend on you to coordinate all notification, meeting site reservations, clearance, etc.

Many thanks!

EXECUTIVE OFFICE OF THE PRESIDENT

10-Apr-1995 11:27am

TO: Cathy R. Mays
FROM: Mail Link Monitor
Office of Administration, IST
SUBJECT: CONFIRMATION: APPT. REQUEST FOR MAYS, CATHY R

FROM: WAVES OPERATIONS CENTER - ACO: (b)(7)(e)
Date: 04-10-1995
Time: 11:25:42

This message serves as confirmation of an appointment for the visitors listed below.

Appointment With: MAYS, CATHY R
Appointment Date: 4/10/95
Appointment Time: 12:00:00 PM
Appointment Room: 211
Appointment Building: OEOB
Appointment Requested by: MAYS CATHY R.
Phone Number of Requestor: 66515
Comments:

WAVES APPOINTMENT NUMBER: U49621

If you have any questions regarding this appointment, please call the WAVES Center at 456-6742 and have the appointment number listed above available to the Access Control Officer answering your call.

TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 1
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 1

SAPERSTEIN, DAVID

P6/(b)(6)

MEMORANDUM

TO: Cathy Mays
FROM: Kim Lafferty
DATE: April 10, 1995
RE: Welfare meeting, 4/10 @ 12noon

updated 11:06am

Dear Cathy:

Here is the updated list of attendees for the meeting today at 12noon.

Marian Edelman
Cliff Johnson
Bob Greenstein
Chuck Loveless
David Certner
Rob Fersh
Paul Marchand
David Cohen
David Saperstein
Gerry McEntee

P6/(b)(6)

(CDF)
(CDF)
(CBPP)
(AFSCME)
(AARP)
(FRAC)
(ARC)
(ADV. INSTITUTE)
(RELIGIOUS ACTION)
(AFSCME)

I will call ASAP re: David Saperstein dob - thanks.

EXECUTIVE OFFICE OF THE PRESIDENT

07-Apr-1995 09:39am

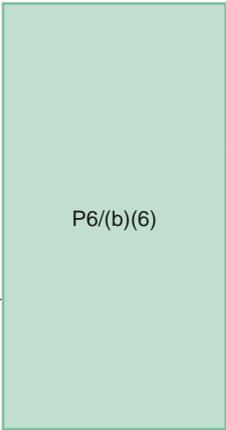
TO: Cathy R. Mays
 FROM: Cathy R. Mays
 Economic and Domestic Policy
 SUBJECT: Appt. request - EDELMAN, Marian and others

Date 10-Apr-1995 Appointment with REED, BRUCE N

Room No. Bldg. Requested by Phone #
 211 EOB Cathy R. Mays 456-6515

Comments:

TIME	VISITOR'S LAST, FIRST NAME	BIRTHDATE	SOC. SEC. #
12:00pm	EDELMAN	Marian	- -
	JOHNSON	Cliff	- -
	GREENSTEIN	Robert	- -
	NISSENBAUM	Ellen	- -
	MCENTEE	Gerry	- -
	ROTHER	John	- -
	CERTNER	David	- -
	FERSH	Robert	- -
	NEAS	Ralph	- -
	MARCHAND	Paul	- -
STEINMETZ	Susan	- -	



EXECUTIVE OFFICE OF THE PRESIDENT

07-Apr-1995 05:29pm

TO: Cathy R. Mays
FROM: Cathy R. Mays
Economic and Domestic Policy
SUBJECT: Appt. request - SOSA, Patricia

Date 10-Apr-1995 Appointment with REED, BRUCE N

Room No. Bldg. Requested by Phone #
211 EOB Cathy R. Mays 456-6515

Comments:

TIME	VISITOR'S LAST, FIRST NAME	BIRTHDATE	SOC. SEC. #
12:00pm	SOSA Patricia	P6(b)(6)	- -

EXECUTIVE OFFICE OF THE PRESIDENT

07-Apr-1995 09:54am

TO: Cathy R. Mays
FROM: Mail Link Monitor
Office of Administration, IST
SUBJECT: CONFIRMATION: APPT. REQUEST FOR REED, BRUCE N

FROM: WAVES OPERATIONS CENTER - ACO: (b)(7)(e)
Date: 04-07-1995
Time: 09:51:27

This message serves as confirmation of an appointment for the visitors listed below.

Appointment With: REED, BRUCE N
Appointment Date: 4/10/95
Appointment Time: 12:00:00 PM
Appointment Room: 211
Appointment Building: OEOB
Appointment Requested by: MAYS CATHY R.
Phone Number of Requestor: 66515
Comments:

WAVES APPOINTMENT NUMBER: U48804

If you have any questions regarding this appointment, please call the WAVES Center at 456-6742 and have the appointment number listed above available to the Access Control Officer answering your call.

TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 11
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 11

- CERTNER, DAVID
- EDELMAN, MARIAN
- FERSH, ROBERT
- GREENSTEIN, ROBERT
- JOHNSON, CLIFF
- MARCHAND, PAUL
- MCENTEE, GERRY
- NEAS, RALPH
- NISSENBAUM, ELLEN
- ROTHER, JOHN

P6/(b)(6)

EXECUTIVE OFFICE OF THE PRESIDENT

10-Apr-1995 11:13am

TO: Cathy R. Mays
FROM: Mail Link Monitor
Office of Administration, IST
SUBJECT: CONFIRMATION: APPT. REQUEST FOR MAYS, CATHY R

FROM: WAVES OPERATIONS CENTER - ACO: (b)(7)(e)
Date: 04-10-1995
Time: 11:09:32

This message serves as confirmation of an appointment for the visitors listed below.

Appointment With: MAYS, CATHY R
Appointment Date: 4/10/95
Appointment Time: 12:00:00 PM
Appointment Room: 211
Appointment Building: OEOB
Appointment Requested by: MAYS CATHY R.
Phone Number of Requestor: 66515
Comments:

WAVES APPOINTMENT NUMBER: U49605

If you have any questions regarding this appointment, please call the WAVES Center at 456-6742 and have the appointment number listed above available to the Access Control Officer answering your call.

TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 3
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 3

BANE, MARY
COHEN, DAVID
LOVELESS, CHUCK

P6/(b)(6)

EXECUTIVE OFFICE OF THE PRESIDENT

07-Apr-1995 10:07am

TO: Cathy R. Mays
FROM: Mail Link Monitor
Office of Administration, IST
SUBJECT: CONFIRMATION: APPT. REQUEST FOR REED, BRUCE N

FROM: WAVES OPERATIONS CENTER - ACO:
Date: 04-07-1995
Time: 10:05:02

(b)(7)(e)

This message serves as confirmation of an appointment for the visitors listed below.

Appointment With: REED, BRUCE N
Appointment Date: 4/10/95
Appointment Time: 4:00:00 PM
Appointment Room: 216
Appointment Building: OEOB
Appointment Requested by: MAYS CATHY R.
Phone Number of Requestor: 66515
Comments:

WAVES APPOINTMENT NUMBER: U48822

If you have any questions regarding this appointment, please call the WAVES Center at 456-6742 and have the appointment number listed above available to the Access Control Officer answering your call.

TOTAL NUMBER OF NAMES SUBMITTED FOR ENTRY : 4
TOTAL NUMBER OF NAMES OF CLEARED FOR ENTRY: 4

BROMBERG, EMILY
MONAHAN, JOHN
SKOLFIELD, MELISSA
TARPLIN, RICH

P6/(b)(6)

**UNITED STATES SENATE
COMMITTEE ON FINANCE**

Hearing on the bipartisan proposal of the Governors on Welfare and Medicaid

**Thursday, February 22, 1996; 10:00 a.m.
Room SD-215 Dirksen Senate Office Building**

WITNESS LIST

A panel consisting of:

The Honorable Tommy G. Thompson, Governor of the State of Wisconsin; and
Co-Chair, National Governors' Association.

The Honorable Bob Miller, Governor of the State of Nevada; and Co-Chair, National
Governors' Association.

The Honorable Tom Carper, Governor of the State of Delaware.

The Honorable Lawton Chiles, Governor of the State of Florida.

The Honorable John Engler, Governor of the State of Michigan.

The Honorable Roy Romer, Governor of the State of Colorado.

T E S T I M O N Y



Statement of

Governor Tommy G. Thompson, Chairman
Governor Bob Miller, Vice Chairman
Governor Tom Carper, Delaware
Governor Lawton Chiles, Florida
Governor John Engler, Michigan
Governor Roy Romer, Colorado

before the

Committee on Finance
United States Senate

on

Restructuring Welfare and Medicaid: The Governors' Proposal

on behalf of

The National Governors' Association

February 22, 1996

RESTRUCTURING WELFARE AND MEDICAID

Thank you Mr. Chairman. We appreciate the opportunity to appear before you today to present the National Governors' Association's (NGA) Policy on Welfare Reform and Medicaid. Before we address the specifics of our policies, however, we would like to make a few general comments.

- First, Governors believe it is critical that Congress pass and the President sign the three major bills of welfare reform, Medicaid, and employment and training during the next month. States must have the ability to enact budgets that fully integrate these three programs in order to provide cost-effective services that assist in moving people from welfare to work.
- Second, Republican and Democratic Governors worked closely together to craft and pass the NGA welfare policy. To maintain the integrity of what is a strong bipartisan agreement, we believe it is imperative that the congressional process also be bipartisan. Our policy builds upon the work of Congress and adds important changes to promote work and protect children.
- Third, the welfare and Medicaid policies were passed unanimously by the nation's Governors, and therefore we have strong bipartisan support for our positions. However, that support may be withdrawn if Congress or the administration makes major changes to our proposals.
- Additionally, while we believe that we have provided you with a considerable amount of detail, we realize that there will be additional questions as you proceed toward drafting the legislation. In some areas we may be providing you with additional details. Nevertheless, we feel very strongly that the nation's Governors want to be deeply involved in working with you to develop and review legislative language. We want to do this on a strong bipartisan basis. We understand that you intend to move quickly and we are prepared to work hard to

meet your schedule. It is critical, however, that we keep all Governors informed so that we will be able to support the final bill.

- Finally, we would like to say that there is an urgency that you enact this legislation over the next month. The window of opportunity is very small. Shortly, you will need to begin the budget process for fiscal 1997. Also, failure to act now means that any reform is unlikely to occur for two to three years since this is an election year. States spend on average about 25 percent of their own state money on welfare and Medicaid, and many Governors have incorporated restructured programs into their fiscal 1997 budget. The failure of Congress to move forward will cause major problems in a number of states.

WELFARE

Now we would like to present to you the National Governors' Association policy on welfare reform which was adopted with unanimous bipartisan support just two weeks ago at our winter meeting. With a unanimous bipartisan voice, the nation's Governors are asking for a new welfare system that allows us to assist individuals in moving from a cycle of dependency to self-sufficiency. We are asking you to give us the flexibility to design our own programs and the guaranteed funding we need at appropriate levels, and we will transform the welfare system into a program of transitional assistance that will enable recipients to become productive, working members of our society.

We believe that our nation's leaders are faced with an historic opportunity and an enormous responsibility to restructure the federal-state partnership in providing services to needy families. The Governors are committed to achieving meaningful welfare reform now, and we believe that Congress and the President share in this commitment. We cannot afford to miss this opportunity. Indeed, for the past year and a half, we have all invested considerable time and energy in reforming federal welfare policy.

Congress has made significant strides toward allowing states to build upon the lessons they have learned through a decade of experimentation in welfare reform. The President, too, gave impetus to welfare reform when he proposed the Work and Responsibility Act more than a year and a half ago, and he has continued to grant waivers to states to facilitate experimentation throughout the ongoing debate on welfare reform.

Today, the nations' Governors come to you with a specific list of recommendations for welfare reform that builds upon the work of both the House and Senate. We urge Congress and the President to join with us in support of this bipartisan agreement that will reallocate responsibilities among levels of government, maximize state flexibility, recreate welfare as a time-limited program leading to work, provide adequate child care, and ensure that all parents assume responsibility for their children.

The NGA policy builds upon and improves the framework for welfare reform laid out in the H.R. 4 conference agreement to the Personal Responsibility and Work Opportunity Act. The conference agreement contains many elements of welfare reform supported by the Governors.

- It defines welfare as a transitional program leading to self-sufficiency and provides time-limited cash assistance to beneficiaries.
- It recognizes that the best work requirement is a private sector job but that subsidized jobs and community service are appropriate in some instances.
- It provides guaranteed and predictable funding with a contingency fund for states' cash assistance programs during periods of economic downturn.
- It allows flexibility for states to expand programs to encourage family stability and reduce teen pregnancy.
- It provides flexibility for states to design their own benefit levels, eligibility criteria, and earned income disregards in their cash assistance program.

- It supports improved child support enforcement efforts, particularly for interstate cases.
- It permits improved coordination and conformity between a state's cash assistance program and the Food Stamp program.

We are very pleased that the conference agreement contains so many provisions that reflect our concerns and priorities and we applaud the progress you have made. However, in order for the nation's Governors to support the H.R. 4 conference agreement, we believe further changes must be made based largely on the following principles:

- Welfare reform must foster independence and promote responsibility.
- Children must be protected throughout the restructuring process.
- States must be protected during periods of economic distress.
- Given agreement on broad goals, states must not be subject to overly prescriptive standards.

The welfare reform policy adopted by the National Governors' Association includes specific recommendations to address these concerns. They are outlined below.

FUNDING FOR CHILD CARE

The Governors propose an additional \$4 billion in mandatory spending for child care for the fiscal 1997 through fiscal 2002. This funding would be part of the base funding for child care and would not require a state match. The Governors are strongly united in their belief that adequate child care is a critical component in the success of any welfare-to-work effort. In fact, access to child care is by far the number one barrier to independence. Our experience has shown us that without safe and reliable child care, a young mother will not be able to participate in employment training, find work, or keep a job. The Governors believe that the current funding provided in the H.R. 4 conference agreement is not sufficient to meet the child care needs of welfare recipients engaged in work activities, individuals who are transitioning from welfare to work, and those who are at-risk of going onto welfare. Without

additional commitment from the federal government for child care, states may be forced to choose between providing child care for the working poor or providing child care for welfare recipients.

WORK REQUIREMENTS

The Governors propose greater flexibility in meeting the work participation requirements. Prescriptive and narrowly drawn requirements will hamper the states' ability to design work programs that are appropriate to their unique economic situation. We have several recommendations in this area.

- **First, the Governors believe strongly that when states are successful in moving individuals from cash assistance to work, these individuals should be included in the work participation rate calculation as long as they remain employed. Discounting these individuals from the work participation rate seems contradictory to the goals of welfare reform.**
- **Second, the number of hours of participation required for purposes of meeting the work participation rate in future years should be 25 hours a week, rather than the proposed increase to 30 and 35 hours a for single-parent families and the 35 hour participation requirement for two-parent families. Further, states should be given the option to limit the required hours of work to 20 hours a week for parents with a child below age six. Many states will, in fact, set higher hourly requirements, but this flexibility will enable states to design programs that are consistent with local labor market and training opportunities and the availability of child care. Lowering hourly requirements for families with young children is also consistent with broader trends in society where a large proportion of women with young children are working part-time.**
- **Finally, in the work area, the Governors propose that job search and job readiness be allowed to count as a work activity for up to twelve weeks, rather than just in the first**

four weeks of participation. States have found that job search is not only effective when a recipient first enters the program, but also after the completion of individual work components and placements.

CONTINGENCY FUND

The Governors propose that an additional \$1 billion be added to the contingency fund for state welfare programs. We believe that states should have access to additional federal matching funds during periods of economic downturns and increases in unemployment or child poverty. During these times, some states may not have the fiscal capacity to meet increases in demand for assistance without an additional financial commitment from the federal government. Given the historical volatility of the caseload throughout economic cycles and the difficulty in projecting future changes in the economy, we believe the additional \$1 billion is necessary.

Our policy also calls for the addition of a second trigger option in the contingency fund that would allow a state to qualify for the fund if the number of children in the food stamp caseload increased by 10 percent over fiscal 1994 or fiscal 1995 levels. This trigger is meant to serve as a proxy for increases in child poverty. The 75 percent maintenance-of-effort requirement for the cash assistance block grant applies to the contingency fund and a state would draw down contingency funds on a matching basis.

PERFORMANCE BONUSES

The Governors' proposal includes performance incentives in the form of cash bonuses to states that exceed specified employment-related performance target percentages. We believe that it is appropriate to reward states that have high performance. However, these bonuses would not be funded out of the block grant base but would receive separate, mandatory funding.

FLEXIBILITY

The NGA Welfare Reform Policy also contains a number of specific proposals to lessen some of the prescriptive requirements in the bill, while also adding flexibility and accountability.

- It provides states with the *option* to restrict benefits to additional children born or conceived while the family is on welfare. A family cap should not be a federal requirement that would require state legislative approval to opt-out.
- It sets the administrative cap on child care funds at 5 percent. The 3 percent contained in the conference agreement is not realistic.
- It raises the hardship exemption from the five-year lifetime limit on federal cash benefits to 20 percent of the caseload.
- It adds a state plan requirement that the state set forth objective criteria for the delivery of benefits and for fair and equitable treatment with an opportunity for a recipient who has been adversely affected to be heard in a state administrative or appeal process.

CHILD WELFARE

In the area of child welfare, we believe that we have developed a proposal which protects children while allowing states the flexibility to focus greater effort on successful prevention efforts such as family preservation. Our proposal would replace Title VII in the H.R. 4 conference agreement.

- First, the Governors' policy would maintain the open-ended entitlement for foster care and adoption assistance maintenance, administration, and training as under current law.
- Second, the policy would create a Child Protection Block Grant, consolidating funding for the remaining child welfare, family preservation, and child abuse prevention and

treatment programs. As you know, these programs are not currently individual entitlements. States must maintain protections and standards under current law.

- Finally, states would have the *option* of taking all of their foster care and independent living funding as a capped entitlement (or block grant) and would be allowed to transfer any portion of these funds into the Child Protection Block Grant for activities such as early intervention, child abuse prevention, and family preservation. States must continue to maintain their effort at 100 percent based on state spending in the year prior to accepting the capped entitlement. Again, states must maintain protections and standards under current law.

SSI FOR CHILDREN

With respect to Supplemental Security Income (SSI) for children, the Governors propose to adopt the provisions in the Senate bill that eliminate the comparable severity test and the Individualized Functional Assessment (IFA) for determining eligibility for children. Only children who meet or equal the Medical Listings of Impairments will qualify for SSI. We do not support the two-tiered payment system that was contained in the H.R. 4 conference agreement. We would also set an effective date for current and new applicants of January 1, 1998.

FOOD STAMP PROGRAM

In the Food Stamp Program, our policy would reauthorize the program in its current uncapped entitlement form. We also propose to modify the income deductions as outlined in the Senate-passed welfare bill, which achieves savings through modifications to the standard deduction rather than capping the excess shelter deduction. Governors voiced concerns that the changes to the excess shelter deduction in the H.R. 4 conference agreement would disproportionately impact the very poorest and families with children.

CHILD NUTRITION

In the area of child nutrition, we propose changes to the School Nutrition Block Grant Demonstration that would be authorized in seven states. Within these demonstrations, our policy would maintain the current entitlement for children, and schools would continue to receive per-meal federal subsidies for all lunches and breakfasts under current eligibility criteria. States would, however, receive their *administrative* dollars as a block grant.

There are two final areas our policy addresses – territories and the Earned Income Tax Credit.

TERRITORIES

The Governors strongly encourage Congress to work with the Governors of Puerto Rico, Guam, and the other territories toward allocating equitable federal funding for their welfare programs.

EARNED INCOME TAX CREDIT

And finally, while the Earned Income Tax Credit (EITC) may be considered in the context of budget reconciliation rather than welfare reform, the Governors believe that the availability of the EITC to low-income families is critical to ensuring that a family is better off working than on welfare. The Governors' policy would limit the budget savings from revising the EITC to \$10 billion. We also believe a state option should be added to advance the EITC.

BENEFITS FOR ALIENS

The absence of recommendations on the restriction of benefits for aliens should not be interpreted as support for or opposition to the alien provisions of the H.R. 4 conference agreement. It is likely that you will be hearing directly from Governors that have concerns in this area.

MEDICAID

Mr. Chairman and members of the committee, we would now like to turn our attention to Medicaid policy which like the Welfare Reform policy was adopted unanimously on February 6. This is a most important time. Our charge as elected officials is difficult. Americans expect discipline in federal and state spending, and we have the responsibility to assure that the funds we spend are spent wisely and that they produce a cost-effective return on investment. In no area is such a need greater than in publicly funded health care.

BACKGROUND

For most of the last decade, health care expenditures in the United States have far exceeded overall growth in the U.S. economy. And while medical inflation is declining, public and privately funded health care costs continue to limit the long term economic growth of the nation. For states, the primary impact of health care costs on state budgets has been in the Medicaid program. Annual Medicaid growth over the last decade has been well in excess of 10 percent, and in half of those years annual growth approached 20 percent. Determining the causes of such unbridled growth is difficult. However, major contributing factors include: congressional expansions in the program, court decisions limiting the states in their ability to control costs, policy decisions by states maximizing federal financing of previously state-funded health care programs, and changing demographics.

Restricting the growth of Medicaid is no easy task. Medicaid is the primary source of health care for low income pregnant women and children, persons with disabilities, and the elderly. This year, states and the federal government combined will spend more than \$150 billion in this program providing care to more than 35 million people. The challenge for the nation, and Governors as the stewards of this program, is to redesign Medicaid so that health care costs are more effectively contained, those that truly need health care coverage continue to gain access to

that care while giving states the needed flexibility to maximize the use of these limited health care dollars to most effectively meet the needs of low income individuals.

THE NEW PROGRAM

Within the balanced budget debate, a number of alternatives to the existing Medicaid program have been proposed. The following outlines the NGA proposal. It blends the best aspects of the current program with congressional and administration alternatives toward achieving a streamlined and state-flexible health care system that guarantees health care to our most needy citizens. Since the proposal was unveiled on February 6th, we have had a myriad of questions concerning the details of the proposal. Some of those questions have been answered others remain unresolved. It is not our intent today, to put forth a completed proposal with all of the "I's" dotted and "T's" crossed. Rather, this is an outline and a working document that is meant to be refined through a process of public examination.

Program Goals. The NGA proposal is guided by four primary goals.

- The basic health care needs of the nation's most vulnerable populations must be guaranteed.
- The growth in health care expenditures must be brought under control.
- States must have maximum flexibility in the design and implementation of cost-effective systems of care.
- States must be protected from unanticipated program costs resulting from economic fluctuations in the business cycle, changing demographics and natural disasters

Eligibility. Coverage remains guaranteed for

- Pregnant women to 133 percent of poverty.
- Children to age 6 to 133 percent of poverty.
- Children age 6 through 12 to 100 percent of poverty.

- The elderly who meet SSI income and resource standards.
- Persons with disabilities as defined by the state in their state plan. States will have a funds set-aside requirement equal to 90 percent of the percentage of total medical assistance funds paid in FY 1995 for persons with disabilities.
- Medicare cost sharing for Qualified Medicare Beneficiaries.
- Either:
 - Individuals or families who meet current AFDC income and resource standards (states with income standards higher than the national average may lower those standards to the national average.); or
 - states can run a single eligibility system for individuals who are eligible for a new welfare program as defined by the state.

Consistent with the statute, adequacy of the state plan will be determined by the Secretary of HHS. The Secretary should have a time certain to act.

Coverage remains optional for:

- All other optional groups in the current Medicaid program.
- Other individuals or families as defined by the state but below 275 percent of poverty.

Benefits. The following benefits remain guaranteed for the guaranteed populations only.

Inpatient and outpatient hospital services, physician services, prenatal care, nursing facility services, home health care, family planning services and supplies, laboratory and x-ray services, pediatric and family nurse practitioner services, nurse midwife services, and Early and Periodic Screening, Diagnosis and Treatment Services. (The "I" in EPSDT is redefined so that a state need not cover all Medicaid optional services for children.)

At a minimum, all other benefits defined as optional under the current Medicaid program would remain optional and long term care options significantly broadened.

States have complete flexibility in defining amount, duration, and scope of services.

Private Right of Action. The following are the only rights of action for individuals or classes for eligibility and benefits. All of these features would be designed to prevent states from having to defend against suits on eligibility and benefits in federal court.

- Before taking action in the state courts, the individual must follow a state administrative appeals process.
- States must offer individuals or classes a private right of action in the state courts as a condition of participation in the program.
- Following action in the state courts, an individual or class could petition the U.S. Supreme Court.
- Independent of any state judicial remedy, the Secretary of HHS could bring action in the federal courts on behalf of individuals or classes but not for providers or health plans.

There should be no private right of action in federal court for providers or health plans.

Service Delivery. States must be able to use all available health care delivery systems for these populations without any special permission from the federal government. States must not have federally imposed limits on the number of beneficiaries who may be enrolled in any network.

Provider Standards and Reimbursements. States must have complete authority to set all health plan and provider reimbursement rates without interference from the federal government or threat of legal action of the provider or plan. The Boren amendment and other Boren-like statutory provisions must be repealed. "One hundred percent reasonable cost reimbursement" must be phased out over a two year period for federally qualified health centers and rural health clinics. States must be able to set their own health plan and provider qualifications standards and be unburdened from any federal minimum qualification standards such as those currently set for obstetricians and pediatricians. For the purpose of the Qualified Medicare Beneficiaries program, the states may pay the Medicaid rate in lieu of the Medicare rate.

Nursing Home Reforms. States will abide by the OBRA '87 standards for nursing homes. States will have the flexibility to determine enforcement strategies for nursing home standards and will include them in their state plan.

Plan Administration. States must be unburdened from the heavy hand of oversight by the Health Care Financing Administration. The plan and plan amendment process must be streamlined to remove HCFA micromanagement of state programs. Oversight of state activities by the Secretary must be streamlined to assure that federal intervention occurs only when a state fails to comply substantially with federal statutes or its own plan. HCFA can only impose disallowances that are commensurate with the size of the violation.

This program should be written under a new title of the Social Security Act.

Provider Taxes and Donations. Current provider tax and donation restrictions in federal statutes would be repealed. Current and pending state disputes with HHS over provider taxes would be discontinued.

Financing. Each state will have a maximum federal allocation that provides the state with the financial capacity to cover Medicaid enrollees. The allocation is available only if the state puts up a matching percentage (methodology to be defined.) The allocation is the sum of four factors: base allocation, growth, special grants (special grants have no state matching requirement) and an insurance umbrella, described as follows:

1. **Base.** In determining base expenditures, a state may choose from the following - the 1993 expenditures, 1994 expenditures, or 1995 expenditures. Some states may require special provisions to correct for anomalies in their base year expenditures.
2. **Growth.** This is a formula that accounts for estimated changes in the state's caseload (both overall growth and case mix) and an inflation factor. The details of this formula are to be determined. This formula is calculated each year for the following year based on the best available data.

3. Special Grants. Special grant funds will be made available for certain states to cover illegal aliens and for certain states to assist Indian Health Service and related facilities in the provision of health care to Native Americans. States will have no matching requirement to gain access to these federal funds.
4. The Insurance Umbrella. This insurance umbrella is designed to ensure that states will get access to additional funds for certain populations if, because of unanticipated consequences, the growth factor fails to accurately estimate the growth in the population. Funds are guaranteed on a per-beneficiary basis for those described below who were not included in the estimates of the base and the growth. These funds are an entitlement to states and not subject to annual appropriations.

Populations and Benefits. Access to the insurance umbrella is available to cover the cost of care for both guaranteed and optional benefits. The umbrella covers all guaranteed populations and the optional portion of two groups—persons with disabilities and the elderly.

Access to the Insurance Umbrella. The insurance umbrella is available to a state only after the following conditions are met.

1. States must have used up other available base and growth funds that had not been used because the estimated population in the growth and base was greater than the actual population served.
2. Appropriate provisions will be established to ensure that states do not have access to the umbrella funds unless there is a demonstrable need.
5. Matching Percentage. With the exception of the special grants, states must share in the cost of the program. A state's matching contribution in the program will not exceed 40 percent.
6. Disproportionate Share Hospital Program. Current disproportionate share hospital spending will be included in the base. DSH funds must be spent on health care for low income people.

A state will not receive growth on DSH if these funds constitute more than 12 percent of total program expenditures.

Provisions for Territories. The National Governors' Association strongly encourages Congress to work with the Governors of Puerto Rico, Guam, and other territories towards allocating equitable federal funding for their medical assistance programs.

CONCLUSION

We believe that the proposals we have presented before you today are sound. We encourage you to give them most careful consideration as you continue your deliberations. Thank you Mr. Chairman and members of the committee for giving us the opportunity to appear before you today. We are happy to answer any questions.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Assistant Secretary
for Legislation

Washington, D.C. 20201

TO: The Secretary
Through: DS _____
COS _____
ES _____

FROM: Jerry Klepner
Assistant Secretary for Legislation

SUBJECT: Meeting with Democratic Women Senators on July 21, 1994
at 3:30 p.m. in 320 Hart - BRIEFING

CONGRESSIONAL PARTICIPANTS

Senator Carol Moseley-Braun (D-IL)

Senator Barbara Boxer (D-CA)

Senator Patty Murray (D-WA)

Senator Diane Feinstein (D-CA)

[Senator Barbara Mikulski (D-MD) will send her AA, Stephanie Foster.]

HHS PARTICIPANTS

Jerry Klepner, Assistant Secretary for Legislation

David Ellwood, Assistant Secretary for Planning and
Evaluation

Mary Jo Bane, Assistant Secretary for Children and Families

BACKGROUND

On Thursday, July 21, you will meet with Senators Carol Moseley-Braun, Barbara Boxer, Diane Feinstein, and Patty Murray in Senator Moseley-Braun's Washington office. Senator Mikulski's AA also will attend. The purpose of the meeting is to discuss the Administration's Welfare Reform legislation. The meeting is

being organized and hosted by Senator Moseley-Braun. It is one in a series of meetings with congressional committee and caucus members scheduled with you and the co-chairs of the Welfare Reform Working Group. The meeting was originally scheduled for June 16, but was postponed due to the Senators' schedules.

Complete congressional biographies of Senators Moseley-Braun, Boxer, Feinstein, and Murray are attached.

POINTS OF DISCUSSION

Senator Moseley-Braun has an advisory council based in Illinois that has been advising her on welfare reform. She is looking at an approach similar to the bill introduced by the Progressive Caucus, but has not decided whether she will introduce her own bill. She is particularly concerned about several issues:

(1) Family Cap -- She is concerned about the impact of a family cap on children.

(2) Child Care -- She is concerned that the additional funding for child care for the working poor was reduced in the Administration's final proposal and thinks these funds are insufficient. She is also concerned about how quality will be assured in the AFDC/JOBS and At-Risk child care programs.

(3) Phase-in -- She supports the concept of a phase-in but is unsure whether she supports the Administration's proposal to begin with the youngest women first.

(4) WORK Program -- She is concerned about how the WORK program will be administered and how states will avoid another CETA program.

(5) Financing -- She is concerned about the effects of the cuts in programs for the poor.

Senator Boxer is particularly concerned about the alien deeming issue. The State of California maintains that there will be a considerable cost shift to the state if the federal government ceases to provide benefits to this population.

Senator Murray has not had an opportunity to review the plan in detail, but she does have some general concerns. Washington State's welfare reform initiative has a longer time limit (4 years followed by an annual 10% reduction in benefits) and focuses on making work more desirable and preventing teenage pregnancy. She is concerned that the Administration's plan is more harsh than what is being tried in Washington.

She is also concerned that the Administration's proposal may emphasize getting people into the workforce at the expense of the children. She is concerned about the kind of child care that will be provided to the children whose mothers are in JOBS, WORK, and are entering the workforce and whether it will be quality child care. She also has expressed concerns that the proposal devalues the importance of mothers caring for their small children.

Senator Feinstein is particularly concerned about the recent 9th Circuit ruling on California's welfare reform plan. Since the state has passed a bipartisan budget based on the state's welfare plan, she is anxious that action be taken to resolve this matter expeditiously.

She is generally supportive of the Administration's legislation and is a strong supporter of time limits.

Senator Mikulski has not had an opportunity to review the details of the plan, but is generally concerned about what she considers the punitive rhetoric surrounding the plan.

Attachments

POLITICAL PROFILE

In 1992, Dianne Feinstein was elected to represent California in the U.S. Senate with the largest number of votes won by a U.S. senator in a non-presidential year. She announced her candidacy for the Senate seat when former U.S. Senator Pete Wilson appointed Orange County State Senator John Seymour as his replacement in January 1991 after Wilson was elected Governor. Seymour defeated former Rep. William Dannemeyer in the primary, but his flip-flopping on issues led Feinstein to win the general by a margin of 54%-38%.

Feinstein's government service has mostly taken place in the liberal city of San Francisco where she served as President of the Board of Supervisors and Mayor. She was respected for her steadiness and sense of command, especially after the assassination of Mayor George Moscone and Supervisor Harvey Milk. After serving two full terms as Mayor, she later attempted an unsuccessful run for governor against Pete Wilson.

Senator Feinstein now faces her most daunting political challenge when she confronts conservative Representative Michael Huffington in the general election in November. After enjoying an early 30 point lead in the polls, Senator Feinstein is now confronted with a dead even race. Huffington, who spent a record \$5.4 million in his bid to win a House seat in 1992, has already spent \$6.3 million in the present race for the United States Senate.

Sen. Feinstein is pro-choice, but not an automatic liberal like her fellow senator, Barbara Boxer. Feinstein voted against NAFTA.

Senator Dianne Feinstein (D-CA)



Born:	6/22/33, San Francisco
Education:	Stanford U., B.A.
Military:	None
Prev. Occup:	Mayor of San Francisco, 1978-1988
Family:	Husband, Richard C. Blum
Religion:	Jewish
Pol. Career:	CA Women's Parole Bd., 1960-66; San Fran. Bd. of Supervisors, 1970-78
Elected:	1992 (Seat up 1994)
Residence:	San Francisco
Committees:	Appropriations, Judiciary, Rules and Administration

LEGISLATIVE INTERESTS

103rd: Sen. Feinstein was a cosponsor of the Family and Medical Leave Act (Dodd, S. 5) and is presently a cosponsor of the Violence Against Women Act (Biden, S. 11) and the Comprehensive Child Immunization Act (Kennedy, S. 732).

Sen. Feinstein was a cosponsor of the President's Health Security Act (Mitchell, S. 1757), but, noting political pressure in an especially difficult upcoming election, withdrew her name as a cosponsor on May 25, 1994. Senator Feinstein's press release states: "I stand with the President on the need for health care reform but it is now clear that his bill will be substantially reworked in both the House and the Senate and I want to be able to get behind those specific proposals that will best serve the people of California."

6/15/94

POLITICAL PROFILE

Carol Moseley-Braun made history in November of 1992 when she became the first, and only, African-American woman to be elected to the United States Senate. Moseley-Braun achieved this feat by upsetting state Senator Alan Dixon in the Illinois Democratic primary. She finished her drive toward the Senate by capturing 53% of the vote in the general election.

Braun, who served three years as a prosecutor in the U.S. Attorney's office, served in the Illinois House of Representatives from 1978 to 1988. She became known as an effective coalition builder for the state's school system and was the chief sponsor of the 1985 Urban School Improvement Act which created and empowered parents' councils at every school in Chicago.

During her campaign, Moseley-Braun pledged to work to bring money back to Illinois, particularly for education and to rebuild the state's infrastructure. She also said she wanted to open Congress "to the voices of working people" and promised to hold numerous town hall meetings.

A Health Security Act and Wellstone co-sponsor, the Senator fully supports the concept of universal coverage. Moreover, she supports a one-tier system with high quality care for everyone. Toward that end, she endorses the integration of Medicaid. Furthermore, the Senator is critically concerned with providing adequate protections for minority populations from discriminatory practices in marketing or participation by health plans.

Last October, she sent two letters to the Administration expressing specific concerns. In the first letter she sought protection for children's hospitals as "essential community providers." The second letter expressed concern over the phase-out of Medicaid disproportionate share and the impact on hospitals which serve a high percentage of Medicaid patients.

Sen. Carol Moseley-Braun (D-IL)



Born:	8/16/47, Chicago
Education:	Univ. of IL, BA; Univ. of Chicago, J.D.
Military:	None
Prev. Occup:	Public Servant
Family:	Divorced, 1 child
Religion:	Catholic
Pol. Career:	Asst. U.S. Atty., 1973-77, IL House of Reps., 1978-88, Cook County Recorder of Deeds, 1989-92
Elected:	1992
Residence:	Chicago
Committees:	Banking, Housing and Urban Affairs, Judiciary, Small Business

POLITICAL PROFILE

Barbara Boxer enters the Senate after serving five terms in the House. Known as a longtime champion of racial minorities, women, gays, and abortion rights, Senator Boxer has not yielded in her efforts to cut the defense budget to boost domestic spending and to reduce the federal budget deficit. In the 101st Congress, she headed the House Budget's Human Resource Task Force which dealt with health care, child care, and education issues. This Task Force, which held numerous hearings around the country, provided Senator Boxer with a forum to launch her bid for the Senate. Additionally, Senator Boxer served on the House Select Committee on Children, Youth and Families and actively participated in the House Women's Caucus. Senator Boxer is a strong advocate of including women and other minorities in clinical research.

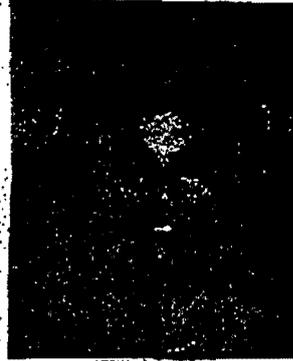
LEGISLATIVE INTERESTS

103rd: Senator Boxer is a cosponsor of the NIH Revitalization Act (Kennedy, S. 1). She cosponsored the Family and Medical Leave Act (Dodd, S. 5) and the Violence Against Women Act (Biden, S. 11).

Senator Boxer is cosponsor of the Health Security Act (Mitchell, S. 1757).

6/15/94

Senator Barbara Boxer (D-CA)



Born: 11/12/40; Brooklyn, NY

Education: Brooklyn College, B.A.

Military: None reported

Prev. Occup: Congressional aide; journalist; stockbroker

Family: Husband: Stewart Boxer; two children

Religion: Jewish

Pol. Career: Marin County Board of Supervisors, 1977-83; candidate for Marin County Board of Supervisors, 1972

Elected: Senate 1982

Residence: Greenbrae

Committees: Budget, Environment and Public Works; Banking, Housing and Urban Affairs

POLITICAL PROFILE

Senator Mikulski is well known as an outspoken liberal and an activist. As chair of the Appropriations Subcommittee on VA HUD-Independent Agencies, she focuses on low-income housing programs. She is visible -- and vocal -- on national as well as local issues and ably represents her Maryland constituents. The Senator is a strong pro-choice advocate. She has been actively involved in promoting women's health issues and pushed for establishing within the NIH an office on women's health. She has also sought to improve the quality of clinical testing. A news account regarding the inaccuracy of testing for cervical cancer in laboratories led to her pushing through the Clinical Laboratory Improvement legislation. She was also responsible for the Senate passage of the Mammography Quality Standards Act. As Chair of the Labor Subcommittee on Aging Senator Mikulski takes an active role on both health and human services for senior citizens.

During markup of health care reform, Senator Mikulski supported Senator Kennedy's plan. She offered one amendment which ensures that supplemental insurance plans will be offered to those enrolled in the Federal Employee Health Benefits Program (FEHBP). Moreover, as a former social worker, she was particularly supportive of the greater use of non-physician providers and extremely concerned about the impact on small businesses.

LEGISLATIVE INTERESTS:

102nd: The Senator focused on women's health issues as well as children and families. She did not sponsor any health care reform legislation.

103rd: Senator Mikulski has cosponsored legislation to protect the reproductive rights of women (Mitchell, S. 25), and to revitalize the NIH (Kennedy, S. 1).

Senator Mikulski has cosponsored both the Comprehensive Child Immunization Act (Kennedy, S. 732) and the Comprehensive Child Health Immunization Act (Riegle, S. 733).

Senator Mikulski is a cosponsor of the Health Security Act (Mitchell, S. 1757).

Senator Barbara Mikulski (D-MD)



Born:	7/20/36, Baltimore
Education:	Mount Saint Agnes College, B.A.; U. of Maryland, M.S.W.
Military:	None
Prev. Occup:	Social worker
Family:	Single
Religion:	Roman Catholic
Pol. Career:	Baltimore City Council, 1971-77; Democratic nominee for U.S. Senate, 1974; U.S. House, 1977-87
Elected:	1986 [Re-election: 1998]
Residence:	Baltimore
Committees:	Labor, Appropriations, Ethics

POLITICAL PROFILE

Running as the "mom in tennis shoes," Patty Murray won her Senate seat in November on a platform of change. Her decision to run was sparked by her outrage over the Senate's handling of the Clarence Thomas confirmation hearings. During her 4 years of service in the Washington State Senate, Ms. Murray devoted much of her energy to issues related to families, children, and education. She is a proponent of family leave legislation, health care reform, tax relief for the middle class, abortion rights, and the reinvestment in the nation's infrastructure. In the wake of sexual harassment allegations against Senator Packwood (R-OR), Ms. Murray has proposed the establishment of a clear sexual harassment policy for the U.S. Senate.

LEGISLATIVE INTERESTS

Senator Murray has cosponsored legislation to grant family and temporary medical leave under certain circumstances (Dodd, S. 5). She also cosponsored the Violence Against Women Act (Biden, S. 11). Senator Murray cosponsored two pieces of anti-smoking legislation; one to protect children from exposure to environmental tobacco smoke (Lautenberg, S. 261) and the other would establish nonsmoking policies for Federal buildings (Lautenberg, S. 262).

Senator Patty Murray (D-WA)



Born:	10/11/50, Seattle
Education:	Washington State U., B.A.
Military:	None reported
Prev. Occup:	Educator
Family:	Husband, Rob Murray; 2 children
Religion:	Roman Catholic
Pol. Career:	Shoreline School Board, 1983-89 Senate 1989-93
Elected:	Seattle
Residence:	Seattle
Committees:	Budget, Appropriations, Banking, Housing and Urban Affairs



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Assistant Secretary
for Legislation

Washington, D.C. 20201

TO: The Secretary
Through: DS _____
COS _____
ES _____

FROM: Jerry Klepner
Assistant Secretary for Legislation

SUBJECT: HOUSE DEMOCRATIC FRESHMAN CAUCUS - WELFARE REFORM
TASK FORCE, Thursday, July 14, 8:00 a.m. 121 Cannon - BRIEFING

Congressional Participants

Representative James Clyburn (SC), President

Representative Eva Clayton (NC), Past President of the Caucus and Co-Chair of the Welfare Reform Task Force

Representative Bobby Rush (IL) - Co-Chair of the Welfare Reform Task Force

Members of the Caucus Welfare Reform Task Force.

Administration Participants (Subject to Change)

Jerry Klepner, Assistant Secretary for Legislation

David Ellwood, Assistant Secretary for Planning and Evaluation

Mary Jo Bane, Assistant Secretary for Children and Families

Bruce Reed, Deputy Assistant to the President for Domestic Policy

OMB Representative

BACKGROUND

On July 14, you will meet with Congressional members of the House Freshman Democratic Caucus' Welfare Reform Task Force at 8:00 a.m in 121 Cannon. This is one of a series of meetings to brief the Congressional leadership and committee and caucus members on the President's welfare reform legislation.

Representative James Clyburn (SC) is the Chairman of the Caucus. Representatives Eva Clayton (NC) and Bobby Rush (IL) are the Co-Chairs of the Freshman Caucus' Welfare Reform Task Force. Members of the Task Force are invited to attend the briefing. Generally, the members of the Task Force are progressive. Some members belong to the Congressional Hispanic Caucus, Congressional Black Caucus and the Progressive Caucus.

The Co-chairs of the Welfare Reform Working Group met with the Freshman Caucus Welfare Reform Task Force members in March. During that meeting, the Task Force members presented to David Ellwood a memorandum that outlines the Caucus' basic principles on welfare reform (See Attached). Task Force members' major concerns follows:

Time-Limits: Task Force members are concerned about the imposition of fixed, arbitrary time limits.

Job Training and Education: Task Force members are interested in knowing about the kind of job training and education programs that will be available to recipients. Members argue that recipients should be trained and placed in jobs that pay a living wage.

Financing: Task Force members believe that welfare reform should not be financed on the backs of poor Americans or by targeting legal immigrants. Task Force members have identified other possible funding sources including tax increases, taxes on foreign investments and phasing in higher premiums for Medicare Part B for individuals with high incomes.

Teen Pregnancy: Task Force members believe that teen pregnancy prevention is a vital part of welfare reform. The Task Force supports minor mothers living with responsible adults.

Bilingual services: Task Force members believe that the welfare programs should include bilingual, culturally-sensitive services.

HOUSE DEMOCRATIC FRESHMAN CAUCUS WELFARE REFORM TASK FORCE

LEADERSHIP:

REPRESENTATIVE JAMES CLYBURN (D-SC), CHAIRMAN

Jim Clyburn is the first African American to represent South Carolina in the U.S. House of Representatives since 1897. He has been a lifelong leader in the civil rights movement and is now a life member of the NAACP. In 1974, Clyburn was appointed the state's Commissioner of Human Affairs. As Commissioner, he successfully lobbied the state legislature to approve the South Carolina Bill of Rights for handicapped citizens, a Fair Housing Law, and the Public Accommodations Law.

On welfare reform issues, he attended the welfare reform meeting with the Co-Chairs of the Welfare Reform Working Group in March. He also is a cosponsor of Secure Assurance for Families Everywhere (SAFE) Act (Woolsey, H.R. 4051), a comprehensive child support assurance and enforcement bill.

Representative Clyburn is a member of the Public Works and Transportation, the Veterans' Affairs Committee, and the Congressional Black Caucus.

REPRESENTATIVE EVA CLAYTON (D-NC), CO-CHAIR OF TASK FORCE

From 1977 to 1981, Eva Clayton served as Assistant Secretary for Community Development in the North Carolina Department of Natural Resources and Community Development, where she focused her attention on rural housing and welfare reform. She served from 1982 to 1990 as a Warren County Commissioner and chaired the Commission. When the county hospital was in financial trouble, Clayton headed the development of the Warren Health Institute, which now combines services from the county health department and a federally funded clinic.

Representative Clayton recently sent a letter to the President opposing proposals to reduce funding for low-income means tested programs as a way to finance welfare reform. Clayton is a cosponsor of Secure Assurance for Families Everywhere Act (Woolsey, H.R. 4051); Working Off Welfare Act (Woolsey and Regula, H.R. 4318) a comprehensive welfare reform bill; and Job Start for Americans Act of 1994 (Mink, H.R. 4498), a welfare reform bill that targets older recipients.

Clayton served as the Past President of the Freshman Caucus and is a member on the Agriculture and Small Business Committee. She also is a member of the Congressional Caucus for Women's Issues and the Congressional Black Caucus.

REPRESENTATIVE BOBBY RUSH (D-IL), CO-CHAIR OF TASK FORCE

For Democrat Bobby Rush, winning a seat in the House of Representatives marks yet another significant turn for a man that has been a boy scout, army soldier, militant black leader, insurance salesman, and Chicago Alderman. Rush was inspired by the words of John F. Kennedy and Martin Luther King, Jr. He joined the Student Non-Violent Coordinating Committee, a civil rights movement that was founded by current U.S. Rep. John Lewis. Later, Rush became involved in the Black Panthers. In 1983, he won a seat as an alderman on the Chicago City Council.

On welfare reform, Representative Rush sent a letter to the President opposing proposals to reduce funding for low-income means tested programs. In addition, he expressed serious concerns about creating a system that continues to stigmatize recipients and suggested that we need to provide a job program and incentives to employers. He also is a cosponsor of Job Start for Americans Act of 1994 (Mink, H.R. 4498).

Representative Rush is on the Banking, Finance, and Urban Affairs and the Government Operations Committees. He is a member of the Democratic Study Group, the Congressional Black Caucus, and an honorary member of the Congressional Hispanic Caucus.

WELFARE TASK FORCE MEMBERS:**REPRESENTATIVE XAVIER BECERRA (D-CA)**

Elected to the California Assembly in 1990, Xavier Becerra served on the Human Services, Health, Local Government, and Revenue and Taxation Committees. Becerra wrote legislation to make FDA-approved drugs to combat AIDS more available. Aside from his committee work, Becerra spent much time on youth and education matters. He was one of the chief backers of the new Model Teacher Training program designed to solve the teacher shortage in the public schools. He also wrote a bill banning criminal gang activities on or near school grounds and joined the effort to reduce hate violence in the public schools.

In several meetings on welfare reform with the Co-Chairs of the Welfare Reform Working Group, Representative Becerra has expressed his opposition to changes to the deeming laws to finance welfare reform. Becerra and other Congressional Hispanic Caucus members feel that the Administration is adding fuel to the anti-immigrant fire by proposing to pay for welfare reform by restricting government assistance to elderly legal immigrants. Becerra does not believe that the Administration can hold the line on this issue. He argues that when welfare reform is debated in Congress, legal immigrants will be further restricted from receiving government assistance.

Representative Becerra is a member on the Education and Labor, Judiciary, and Science, Space, and Technology Committees and is a member of the Congressional Hispanic Caucus. He is a cosponsor of the Secure Assurance for Families Everywhere Act (Woolsey, H.R. 4051) and Job Start for Americans Act of 1994 (Mink, H.R. 4498).

REPRESENTATIVE KARAN ENGLISH (D-AZ)

Karan English mounted her successful bid for the new seat in rural northeastern Arizona by campaigning on the four "E's": environment, education, economics, and ethics. She chaired the Environment Committee in the state Senate and is also used to dealing with rural issues. During her tenure in the state legislature she sponsored an act earmarking \$6 million a year in state lottery money for small businesses in rural areas. English now visits local schools in her district and leads mock legislative sessions to teach students how the legislative process works and to show them that policy-making should not be perceived as a win-or-lose game.

Representative English is on the Education and Labor Committee.

REPRESENTATIVE ERIC FINGERHUT (D-OH)

Eric Fingerhut entered the Ohio Senate in January 1991. He was appointed to the Committees on Energy, Natural Resources and Environment, of which he was the ranking minority member; Health and Human Services; Finance; and Economic Development, Technology and Aerospace. Fingerhut wrote the Community Recycling Bill, which could become the backbone of the state's recycling law, and he sponsored a successful amendment to the state Clean Air Act that provided for the creation of a statewide Energy Task Force. He also wrote the Gun Safety Bill requiring first time gun buyers to take a safety course.

During the Freshman Caucus briefing on welfare reform, Representative Fingerhut expressed concern that the Administration's proposal will not succeed in decreasing the welfare rolls. He suggested that the Administration proposal direct funding to programs that will reduce the number of recipients.

Representative Fingerhut is the sponsor of the Welfare Elimination Act of 1994 (H.R. 3742), a bill that would abolish the current welfare system and establish a commission that would develop a temporary cash assistance program and a job-readiness and placement assistance program.

Representative Fingerhut served as Co-Chair of the Mainstream Forum Welfare Reform Task Force and is a cosponsor of the Mainstream Forum welfare reform bill, the Independent for Families Act of 1994 (McCurdy, H.R. 4414).

REPRESENTATIVE ELIZABETH FURSE (D-OR)

Though she has not held any prior public office, Elizabeth Furse has been active in politics for most of her life. She marched in South Africa against apartheid at the age of 15. More recently, she has been concerned about Indian treaty rights and international peace. In 1985 she founded the Oregon Peace Institute, an organization advocates and teaches non-violent methods to resolve conflicts. Thanks to Furse's ideas, the organization is totally self-funded. In

addition, Furse supports a "citizen's budget" that focuses on the elderly, children, and working families.

Representative Furse is a member of the Armed Services; Banking, Finance, and Urban Affairs; and Merchant Marine and Fisheries Committee. She also is a member of the Congressional Caucus for Women's Issues and has attended the briefings on welfare reform with the Co-Chairs of the Welfare Reform Working Group.

REPRESENTATIVE DAN HAMBURG (D-CA)

Dan Hamburg founded the Mariposa School in 1970 in Ukiah, a small town in the northernmost part of California. The school was described as an "alternative" school in his campaign literature. Hamburg remained in education until 1980 when he was elected to the Mendocino County Board of Supervisors. After spending some time in China teaching Chinese language and culture to American, English, and New Zealand students from 1984 to 1986, he became the executive director of an organization that oversees poverty alleviation and job training programs in northern California. From 1989 to 1992, Hamburg completed a graduate program in philosophy, religion, and Chinese. He was the first candidate ever elected to Congress to collect unemployment benefits during his campaign.

Representative Hamburg is a cosponsor of the Job Start for Americans Act of 1994 (Mink, H.R. 4498) and is on the Public Works and the Merchant Marine and Fisheries Committee.

REPRESENTATIVE JAY INSLEE (D-WA)

Jay Inslee's political career began in 1988 when he defeated the Republican mayor of Yakima for the seat representing the 14th District in the Washington House of Representatives. In the state legislature, Inslee served as the vice chair of both the Appropriations Committee and the conference committee that wrote the state's 1992 supplemental budget plan.

Representative Inslee has not been active on welfare reform issues. He serves on the Agriculture and the Science, Space, and Technology Committees.

REPRESENTATIVE HERB KLEIN (D-NJ)

Herb Klein has spent most of his career as an attorney in private practice. From 1972-1976, he had a brief stint in the state legislature. During that time, he authored the legislation that created the New Jersey Economic Development Agency. He also pushed legislation approving generic drugs and legislation to control "runaway" pension plans. Since then, Klein has served on the Rutgers University Board of Trustees, where he has pushed plans to contain tuition costs and to increase minority admissions.

Representative Klein attended the Freshman Caucus briefing on welfare reform. He serves on

the Banking, Finance, and Urban Affairs and Science, Space, and Technology Committees.

REPRESENTATIVE RON KLINK (D-PA)

Ron Klink is best known in his district as the former weekend news anchor for KDKA-TV in Pittsburgh, but his community roots go much deeper than that. He is also a restaurant owner and a volunteer fire fighter. In addition, Klink has also been a labor organizer and contract negotiator as a member of the American Federation of Television and Radio Artists. Klink has also been honored by the American Legion for his efforts to include the names of servicemen and servicewomen originally left off the Vietnam Veterans Memorial.

Representative Klink is a cosponsor of the Independence for Families Act of 1994 (McCurdy, H.R. 4414). He has requested a meeting with the Co-Chairs of the Welfare Reform Working Group.

Representative Klink is member of the Education and Labor; Banking, Finance, and Urban Affairs; and Small Business Committees.

REPRESENTATIVE CARRIE MEEK (D-FL)

Carrie Meek served as a special assistant to the vice president of Miami-Dade Community College. Prior to that, she spent several years in the state legislature. For her legislative efforts, Meek was chosen state Senate President Pro-Tempore. During her legislative career, Meek focused on promoting education issues like literacy, the prevention of drop-outs, education on the law, and scholarships to help students get to college. She also led the establishment of the Minority Business Enterprise Program to encourage Florida African Americans to start and operate their own businesses.

Representative Meek is a cosponsor Secure Assurance for Families Everywhere Act (Woolsey, H.R. 4051) and the Job Start for Americans Act of 1994 (Mink, H.R. 4498).

Representative Meek is a member of the Appropriations Committee and the Congressional Caucus on Women's Issues and the Congressional Black Caucus.

CARLOS ROMERO-BARCELO (D-PR)

Representative Carlos Romero-Barcelo began his political career in 1968 when he was elected mayor of San Juan, Puerto Rico. In 1976, he was elected as governor and won re-election in 1980. He is the first former governor of Puerto Rico serving in Congress. His political career has coincided with the growth of the pro-statehood sentiment in Puerto Rico.

Early on in his term, he has designated himself as a voice of reason in the debate on the reduction of federal corporate tax exemption in Puerto Rico, as well as a tireless advocate of the

island's equal inclusion in national health care programs, and most recently with welfare reform.

His concerns with welfare includes issues that is relevant to Puerto Rico's concerns -- where there is no Social Security and Earned Income Tax Credit (EITC) because they do not pay federal income taxes. He believes that having EITC will help make the program work in Puerto Rico.

Representative Romero-Barcelo is a cosponsor of the Secure Assurance for Families Everywhere Act (Woolsey, H.R. 4051), the Work-First Welfare Reform Act (Lowey, H.R. 4126), and the Job Start for Americans Act (Mink, H.R. 4498).

Romero-Barcelo serves on the Natural Resources Committee and the Education and Labor Committees and is a member of the Congressional Hispanic Caucus.

REPRESENTATIVE KAREN SHEOPHERD (D-UT)

As a politician and former magazine editor and publisher, Karen Shepherd has focused her political and private-sector efforts on the educational, economic, and legal advancement of women. She helped found the Utah Women's Political Caucus and was a delegate to the 1976 Democratic Convention, where it was proposed that women and minorities be fully involved in Democratic Party activities. Since her election to the state Senate in 1990, her legislative efforts have included parental leave and health care reform.

Representative Shepherd is a member of the Natural Resources and Public Works and Transportation Committees.

REPRESENTATIVE BENNIE G. THOMPSON (D-MS)

Elected to the Congress in a special election in 1993, Representative Bennie Thompson continued a long and distinguishing political career that has spanned 25 years.

He is a cosponsor of the Job Start for America Act (Mink, H.R. 4498) and the Secure Assurance for Families Everywhere Act (Woolsey, H.R. 4051).

Representative Thompson serves on the Agriculture, Merchant Marine and Fisheries, and Small Business Committees. He also is a member of the Congressional Black Caucus and the Progressive Caucus.

REPRESENTATIVE KAREN THURMAN (D-FL)

A former middle-school math teacher, Karen Thurman spent a decade in the state Senate before running for Congress. She left her seat in the legislature to run for Congress in an effort to work toward ending Florida's self-imposed isolation from the other mega-states, and to get the state to contribute to national health care reform and economic growth. Thurman says she became interested in state politics after she witnessed first-hand the impact of state policy-making on small communities as mayor of Dunnellon, Florida. Now she sees the same correlation between the federal government and the states.

Currently, Thurman is a member of the Agriculture and Government Operations Committees and a member of the Congressional Caucus for Women's Issues.

REPRESENTATIVE NYDIA VELAZQUEZ (D-NY)

In 1984, Nydia Velazquez became the first Hispanic woman to serve on the New York City Council. Her work on the council included introducing the bill that created the Bureau of Aging Affairs in the city's Department of Health, and other bills to fight crime and drug abuse, as well as to create a day-care information and referral service. Velazquez also served as secretary of the Department of Puerto Rican Community Affairs.

Representative Velazquez's overall concern with welfare reform is the availability of jobs that will allow poor women, now on welfare, to support their families. She questioned the availability of jobs that will provide adequate income and benefits. In addition, she strongly opposes changes to the deeming provision that would restrict government assistance to elderly legal immigrants.

Representative Velazquez serves on the Banking, Finance, and Urban Affairs, and Small Business and also is a member of the Congressional Hispanic Caucus and the Congressional Caucus on Women's Issues.

Representative Velazquez is a cosponsor of the Secure Assurance for Families Everywhere Act (Woolsey, H.R. 4051) and the Job Start for Americans Act of 1994 (Mink, H.R. 4498).

REPRESENTATIVE LYNN WOOLSEY (D-CA)

Lynn Woolsey was a former welfare recipient. In 1969, she was divorced and became a single mother with three young children. Without much money, Woolsey and her children turned to Aid for Families with Dependent Children (AFDC). She hopes to use her experience as a welfare mother-turned-successful business woman to be a powerful voice for welfare reform efforts in Congress. As a member of the Petaluma City Council, Woolsey worked on the construction of homeless shelters, low income housing, and the implementation of child care assistance.

Representative Woolsey has been very active on welfare issues in Congress. She participated in the Oxford style debate on welfare reform and is the sponsor of the Secure Assurance for

Families Everywhere Act (H.R. 4051) and the Working Off Welfare Act (H.R. 4318). She also is a cosponsor of the Job Start for Americans Act of 1994 (Mink, H.R. 4498).

Representative Woolsey serves on the Budget and the Education and Labor. She also is a member of the Congressional Caucus for Women's Issues.

LUCILLE ROYBAL-ALLARD (D-CA)

The Vice-Chair of the Congressional Hispanic Caucus, Lucille Roybal-Allard, has long pressed for legislation to promote women's and children's rights. In the California legislature she wrote and successfully fought for the passage of legislation that requires the courts to consider an individual's history of domestic violence. She also authored a law that requires colleges to provide information and referrals for treatment to rape victims, as well as laws that have redefined the definition of consent in order to strengthen the legal rights of victims of sexual assault. Roybal-Allard sat on the legislature's Ways and Means Committee and chaired its Subcommittee on Health and Human Services.

Representative Roybal-Allard has expressed concern on financing welfare reform "on the backs of immigrants." She is supportive of efforts to ensure child care is available not just to recipients but to the working poor, as well. She is particularly interested in efforts to "give credit" to extended families that care for children. Roybal-Allard also expressed concerns about the minor mother issue and is looking for strong safeguards.

Representative Roybal-Allard is a cosponsor of Rep. Woolsey's (D-CA) Secure Assurance for Families Everywhere Act (H.R. 4051) and Rep. Mink's (D-HI) Job Start for Americans Act of 1994 (H.R. 4498).

MEMORANDUM

TO: David Ellwood, Assistant Secretary, Planning and Evaluation, U.S. Department of Health and Human Services
Susan Brophy, Deputy Assistant to the President for Legislative Affairs

FROM: Democratic Freshman Class

DATE: March 24, 1994

RE: Basic principles for welfare reform

OVERARCHING THEMES:

- 1. FRAMEWORK:** Human dignity, responsibility, and respect are the cornerstones of the American tradition. The congressional welfare reform debate must recognize that all people have basic human and civil rights.
- 2. PURPOSE IS SELF-SUFFICIENCY, AND FINANCING SHOULD NOT BE REGRESSIVE:** True welfare reform will require investments in education, worker training, and child care programs in order to allow parents to become more self-sufficient. Therefore, adequate financing should be considered, but at the very least the programs' financing should not be regressive.
- 3. COMPREHENSIVE WELFARE STRATEGY:** Welfare reform should include simultaneous consideration of a broader anti-poverty strategy to ensure that a permanent underclass of poverty is not created. Welfare reform must include, among other things, provisions for universal health care coverage, increased child care programs, job training and job creation programs, an expanded Earned Income Tax Credit, and other anti-poverty programs.

JOBS:

- 1. TRAINING:** Job training is critical to enabling welfare recipients make the transition to permanent employment. Job training programs should afford flexibility in hours of instruction and vocational fields. There are currently over 120 federal job training programs. Consideration should be given to consolidating these programs and providing effective outreach strategies for recipients. Job training information should be accessible and available in other languages.
- 2. PLACEMENT:** There must be an effort to ensure that people are not just trained in basic interviewing skills and placed in "make work" public sector jobs. Welfare reform must involve placing welfare recipients in jobs that pay a living wage.
- 3. IMPOSITION OF INFLEXIBLE TIME LIMITS:** A fixed, arbitrary time limit will not work. Congress must carefully define the parameters of such a time limit, and provide flexibility to account for situations in which job training and placements may not work for certain individuals. We must recognize that our nation will never reach full employment -- there will always be a certain percentage of the population that cannot be placed.

FAMILY:

- 1. ENCOURAGING STRONG FAMILIES:** The disincentives for mothers to work part time and care for their children must be removed, as well as disincentives for couples to marry that are inherent in the present system. The new system must be flexible enough to allow for the reestablishment of stronger family units without a blanket requirement that all mothers must work full time at minimum wage jobs; the respect for the balance between work and family that the rest of society enjoys should be extended to those within the lower-income echelons of society. The system should seek to keep families together by eliminating penalties for two-parent households and by allowing them to accumulate the resources necessary to maintain stability before they leave AFDC.

2. TEEN PREGNANCY:

A. PREVENTION PROGRAM AND SUPPORT SERVICES: There must be a comprehensive, national teen pregnancy prevention program, including school-based services such as self-esteem and family planning counseling. For teens who do become pregnant, every reasonable effort must be made to help both parents finish high school, including linkages with support services such as child care, parenting classes, nutrition programs, and school-to-work transition programs.

B. TEEN MOTHERS REQUIRED TO LIVE WITH A RESPONSIBLE ADULT: Teen mothers, and, if needed, their families, should be given special case management services. Rules regarding parents and grandparents as guardians must be reviewed and reformed to make it possible, where appropriate, for teen mothers to remain in their homes and receive AFDC and support services. To address the problem of teens getting pregnant to be independent, teen mothers should be required to be living in the home of a responsible adult (parent, teacher, counselor, relative, etc.) who, if not a parent, shall act *in loco parentis*, as determined appropriate by the mother and her case manager.

C. ABSTINENCE AND FAMILY PLANNING: Both teenage males and females should be instructed on the merits of sexual abstinence and should be availed with family planning services in order to instill in them a sense of responsibility about parenthood and an understanding of alternatives to pregnancy.

3. CHILD SUPPORT: We must develop a strong, national child support enforcement system which will have the effect of preventing many mothers from having to go on welfare because they cannot collect the child support to which their children are entitled. Any welfare reform proposal should include federalized child support collection of support which has been court-ordered, easier paternity establishment methods, and a minimum assured benefit level.

SUPPORT SYSTEMS:

1. STREAMLINING BUREAUCRACY, INCLUDING ONE-STOP SHOPPING AND EXAMINING THE POTENTIAL FOR RECREATING THE PRESENT DELIVERY SYSTEM: Reforms should replace the current eligibility-checker system, a system based on issuing checks, with a case management system, a system based on giving recipients the tools to become permanently self-sufficient. The bureaucracy of the welfare system must be simplified and streamlined by adding "one-stop shopping" sites where recipients receive information on and apply for all necessary services, including child care, transportation, counseling, housing, child support, education and training opportunities, and current job market openings. There should also be an emphasis on creating an entirely new delivery system focused on giving localities enough flexibility to deliver services so as to remove barriers to employment.

2. AUGMENTATION OF INFORMATION ON UNDERSERVED POPULATIONS: Both at the national and state level, availability of data on underserved populations and welfare are very limited; it is therefore difficult to explore issues such as intergenerational dependency and child care concerns as they relate to women from these populations and their families. Greatly improved data collection will be necessary to gain an accurate picture of these underserved populations and their use of welfare, their attitudes about welfare, and the dynamics of poverty among single-mother families in these populations.

3. FRAUD: Some jurisdictions have implemented programs to reduce the incidence of welfare fraud. A comprehensive review of these programs should be undertaken so as to ascertain and utilize their most effective aspects on a nationwide basis, including examination of the technology to electronically transfer benefits.

4. CASE MANAGER: As a client moves through different phases of the reform program, they may become discouraged and exit the program because of particular circumstances (examples: intimidation,

poor self image, etc.). In addition; friends and family are not supportive when the client begins to change her life style. Therefore, a case manager should serve as a support system throughout a client's participation in the welfare reform program.

5. TRANSPORTATION: In both rural and urban areas, transportation is a necessary component to allow individuals to have access to educational and training programs, job interviews, and child care services. Moreover, because rural counties have low population density, systems will also have to be created to address this unmet need.

6. BILINGUAL SERVICES: Welfare reform in many urban areas will involve diverse populations. Often people who would be eligible for a certain program or service miss the opportunity to participate because of a language deficiency. We must provide bilingual, culturally-sensitive services in any welfare reform effort.

7. JOB-RELATED EXPENSES: In order to pay fees and other expenses related to self sufficiency, individuals must have funds to assist with meals outside of the home, uniforms or supplies that are essential to education or job training, expenses that must be paid in order to meet program expectations, and personal items that allow individuals to interact with others without the stigma of being viewed as a welfare recipient.

7. CHILD CARE SERVICES: Parents are unable to enter programs or work if there is a lack of child care services. The availability and access to services, as well as such issues as flexibility of hours, and the quality of child care services are important considerations. Child and dependent care that is affordable and of high quality must be available not only to participants in education and job training activities, but also to those entering the paid labor force for enough time to enable them to become self-sufficient.

GEOGRAPHIC DISCRIMINATION:

1. TERRITORIES: the unique situation of the Territories and the Commonwealth of Puerto Rico pertaining to federal programs of social assistance must be re-examined with the purpose of having these insular areas fully participate in the programs and principles which will result from welfare reform. The needs and contributions of the over four million American citizens living in the Territories should not be overlooked; thus, the federal government must take assertive steps to implement measures which may be necessary in order to include these citizens within the goals of welfare reform.

FINANCING:

1. POTENTIAL TAX INCREASE: The proposal should not be financed on the backs of poor Americans by cutting AFDC and other aspects of our social safety net in order to pay for the reforms. There must be an adequate investment made, not just lip service. The budget rules are tough, but this effort cannot have the net result of making the poorest members of society worse off than they were. The potential for a tax increase to pay for the new system must be considered.

2. OTHER POSSIBLE FUNDING SOURCES:

A. PROGRESSIVE PREMIUM SCHEME FOR MEDICARE PART B: Under Medicare, Part B is optional and partially paid for by premiums (25%), with the rest (75%) being subsidized by the general treasury: even millionaires on Medicare Part B get a 75% subsidy from the government. The CBO has estimated that \$18.5 billion could be saved over five years by phasing in a higher premium starting with individuals who make over \$50,000 and couples making over \$65,000. The phase-in would end at 50% (so the beneficiary is paying half rather than one-quarter of the cost of the program), which would apply to individuals over \$60,000 in annual income over \$80,000. Obviously, there are other options using this idea that can raise more revenue.

B. TAX ON FOREIGN INVESTMENT: This option comes from the Citizens for Tax Justice: a 5% tax on interest earned by foreigners lending in the United States (on loans to American companies and the U.S. Government.) This was exempted from taxation in 1984. Typically, this interest income is not reported to foreigners' home governments. As a result, the U.S. has become a major international tax haven. The tax could be waived if a foreign lender supplies the information necessary to report the interest to the foreign home government. The five year gain is estimated to be at least \$15 billion, possibly more.

3. LEGAL IMMIGRANTS SHOULD NOT BE TARGETED: Legal immigrants pay taxes into our system. When there are hard times, they face the same challenges citizens face. Legal immigrants should not be targeted as the only poor people who will be made to pay for these reforms. Any redesign of the public benefits system must ensure that legal immigrants are able to fully participate.

AGENDA

WELFARE REFORM STRATEGY MEETING

White House Conference Center
726 Jackson Place, NW
Washington, DC 20503

Thursday, May 5, 1994
11:00 A.M. - 12:30 P.M.

Welcome

Marcia Hale
Assistant to the President
Director, Intergovernmental Affairs

Recent Update of the Plan

Kathi Way
Special Assistant to the President
Domestic Policy

David T. Ellwood
Assistant Secretary
Planning and Evaluation
Health and Human Services

Recent Update of Financing
and Legislative Timetable

Bruce Reed
Deputy Assistant to the President
Domestic Policy

Wendell Primus
Deputy Assistant Secretary for
Human Service Policy
Health and Human Services

States' Response/Discussion

John Monahan
Director, Intergovernmental Affairs
Health and Human Services

Expectation of Support

Keith Mason
Deputy Assistant to the President
Intergovernmental Affairs

Conclusion

Keith Mason

Working Group on Welfare Reform, Family Support and Independence

Chairs

- Bruce Reed** *Deputy Assistant to the President for Domestic Policy*
- David Ellwood** *Assistant Secretary for Planning and Evaluation, Department of Health and Human Services*
- Mary Jo Bane** *Assistant Secretary for the Administration for Children and Families, Department of Health and Human Services*

Members

- Ken Apfel** *Assistant Secretary for Management and Budget, Health and Human Services*
- Michael Alexander** *Executive Assistant to the Secretary, Department of Agriculture*
- Walter Broadnax** *Deputy Secretary, Department of Health and Human Services*
- Norma Cantu** *Assistant Secretary, Office of Civil Rights, Department of Education*
- Robert Carver** *Deputy Assistant Secretary for Returns Processing, Treasury Department*
- Andrew Cuomo** *Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development*
- Maria Echaveste** *Administrator, Wage and Hour Division, Department of Labor*
- Chris Edley** *Associate Director for Economics and Government, Office of Management and Budget*
- Joycelyn Elders** *Surgeon General, Department of Health and Human Services*
- Maurice Foley** *Office of Tax Policy, Treasury Department*
- Thomas Glynn** *Deputy Secretary, Department of Labor*
- Ellen Haas** *Assistant Secretary for Food and Consumer Services, Department of Agriculture*
- Elaine Kamarck** *Office of the Vice President*
- Augusta Kappner** *Assistant Secretary for Vocational and Adult Education, Department of Education*
- Madeleine Kunin** *Deputy Secretary, Department of Education*
- Avis Lavelle** *Assistant Secretary for Public Affairs, Department of Health and Human Services*
- Marsha Martin** *Executive Director, Interagency Council on the Homeless*
- Alicia Munnell** *Assistant Secretary for Economic Policy, Treasury Department*
- Wendell Primus** *Deputy Assistant Secretary for Human Services Policy, Department of Health and Human Services*
- Doug Ross** *Assistant Secretary, Employment and Training Administration, Department of Labor*
- Isabel Sawhill** *Associate Director for Human Resources, Office of Management and Budget*
- Eli Segal** *Assistant to the President for National Service*
- Marshall Smith** *Undersecretary, Department of Education*
- Eugene Sperling** *Deputy Assistant to the President for Economic Policy*
- Michael Stegman** *Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development*
- Joseph Stiglitz** *Council of Economic Advisors*
- Fernando Torres-Gil** *Assistant Secretary for Aging, Department of Health and Human Services*
- Jeff Watson** *Deputy Assistant to the President for Intergovernmental Affairs*
- Kathi Way** *Special Assistant to the President for Domestic Policy*

WELFARE REFORM WORKING GROUP REGIONAL VISITS

As part of its public outreach effort, the Working Group on Welfare Reform, Family Support and Independence conducted five public forums from August to November 1993. The forums were held in Chicago, Ill.; Washington, D.C.; Cranford, N.J.; Sacramento, CA.; and Memphis, TN. The Working Group heard from over 220 witnesses, including 24 witnesses who once were or are currently receiving AFDC and three witnesses with child support problems.

An essential element of the four regional visits was the time spent gathering information in the communities themselves. Working Group members went to neighborhoods, visited programs, and met with local residents before each hearing. Overall, the Working Group visited 12 program sites and two private residences, held informal focus group discussions with 66 AFDC recipients, and met with 34 caseworkers. Finally, most members that attended a public forum other than the one held in Washington, D.C. observed an AFDC eligibility interview in a local welfare office.

FORUM SUMMARIES

Each forum had a particular focus. The first three forums centered on three of the President's themes: Make Work Pay, Child Support Enforcement, and Education and Training. The fourth forum explored welfare reform in a rural setting.

Chicago, Illinois August 10-11, 1993

The Chicago visit focused on the principle of making work pay. The Working Group visited Project Match in the Cabrini-Green housing project, where they conducted informal focus groups with staff and participants of Project Match and the New Hope Project of Milwaukee, Wisconsin. Working Group members also observed AFDC eligibility interviews and met with caseworkers at four Illinois Department of Public Aid offices.

During the morning session of the Chicago forum the Working Group heard from six AFDC recipients and program directors from Project Match, New Hope Project, Chicago Commons, and the Teen Parent Demo. The afternoon session featured testimony by Mayor Richard M. Daley, Jr., Congressman Bobby Rush, and Illinois Department of Public Aid Acting Director Robert Wright. Overall, 37 witnesses presented testimony to the Working Group in Chicago.

Washington, D.C.
August 19-20, 1993

The Washington, D.C. event was a day and a half policy forum discussing the four principles with state and local elected officials, researchers, advocates, and AFDC recipients. The Working Group heard from 66 witnesses over two days. In addition to five AFDC recipients, other notable witnesses included Del. Eleanor Holmes Norton (D- D.C.); Patricia Ireland, National Organization for Women; Will Marshall, Progressive Policy Institute; Robert Greenstein, Center for Budget and Policy Priorities; and William H. Kolberg, National Alliance of Business.

Cranford, N.J.
September 9-10, 1993

The New Jersey visit focused on improving child support enforcement. The Working Group visited the Parents' Fair Share demonstration project "Operation Fatherhood" in Trenton, N.J., where they conducted informal focus groups with staff and non-custodial fathers. The Working Group then met with court, probation, and administrative representatives of the N.J. child support enforcement system. Finally, the Working Group visited the Middlesex County Social Services office and conducted informal focus groups with staff and AFDC participants from The Work Group, a model welfare-to-work program from Camden, N.J..

During the morning session of the New Jersey forum the Working Group held a roundtable discussion with single parents, non-custodial parents and advocates for both groups. Of the 30 witnesses, the Working Group heard from four single parents and three non-custodial parents. Other notable testimony was presented by Governor Jim Florio; Assemblyman Wayne Bryant; William Waldman of the N.J. Department of Human Services; N.Y. State Senator Stephen M. Saland; and N.Y. Dept. of Social Services Commissioner Michael Dowling.

Sacramento, CA
October 7-8, 1993

The California visit focused on education, training, and support services, examining lessons from the California GAIN program. The Working Group visited the Alameda County GAIN office and conducted informal focus groups with staff and participants from both Alameda and San Francisco County GAIN programs. The Working Group then visited the Contra Costa County GAIN program for additional focus group meetings.

The morning session of the California forum consisted of a roundtable discussion of the lessons from the GAIN program. The afternoon session covered the four principles and included an open public comment period. Of the fifty witnesses testifying, six were AFDC recipients. Other witnesses included John Wallace from MDRC, Larry Townsend of Riverside County, and Robert Friedman of the Corporation for Enterprise Development. Elected officials presenting testimony included Assemblyman Tom Bates, State Senator Mike Thompson, and County Supervisor Grantland Johnson.

Memphis, TN
November 8-9, 1993

The Tennessee visit focused on both economic development and service delivery in a rural setting. At the suggestion of Congressman Harold Ford (D-TN), the Working Group visited Project Self-Initiative at Hurt Village and conducted a community meeting with staff and residents. Working Group members then visited the private homes of two AFDC recipients in rural counties to see and hear about welfare services and living conditions in a rural setting. Working Group members also held a lunch meeting with staff and AFDC recipients in Fayette County and travelled to Tipton County for additional focus groups and eligibility interviews.

The morning session of the forum discussed ways that a national welfare reform plan could create incentives for job development in a rural setting. The afternoon session reviewed the challenges and barriers to delivering social services. The Working Group heard from three AFDC recipients as part of the 39 witnesses testifying. Other witnesses included former Congressman Ed Jones; Congressman Harold Ford (videotaped remarks); Ray Bryant, formerly of the Lower Mississippi Delta Development Commission; Julia Vindasius of the Arkansas Good Faith Fund; and Department of Human Services commissioners from the states of Tennessee, Arkansas, Alabama, Mississippi, and North Carolina.

January 7, 1994



ADMINISTRATION FOR CHILDREN AND F
370 L'Entant Promenade, S.W.
Washington, D.C. 20447

STATEMENT BY

MARY JO BANE

**ASSISTANT SECRETARY FOR THE
ADMINISTRATION FOR CHILDREN AND FAMILIES**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

BEFORE THE

**SENATE COMMITTEE ON FINANCE
SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY**

JANUARY 18, 1994

STATEMENT BY

**MARY JO BANE
ASSISTANT SECRETARY FOR THE
ADMINISTRATION FOR CHILDREN AND FAMILIES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

BEFORE THE

**SENATE COMMITTEE ON FINANCE
SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY**

JANUARY 18, 1994

Mr. Chairman, Members of the Committee, thank you for the opportunity to appear before your Committee this morning. As one of the co-chairs of the President's Working Group on Welfare Reform, Family Support and Independence, I am very pleased that you have provided us this opportunity to help lay the foundation for the Administration's forthcoming welfare reform proposals.

Before proceeding further with my testimony, I want to assure you that welfare reform continues to be a top priority of the President and myself. We are working as hard as we can to put a proposal together for the President's consideration. We are hopeful that this proposal will provide the framework for Congressional discussions on welfare reform and that legislation will move forward this year.

INTRODUCTION

Last June, the President appointed a Working Group on Welfare Reform to develop a plan for reforming welfare which was built around the basic values of work and responsibility. For the past seven months, I, along with David Ellwood, Bruce Reed and the rest of the Working Group, have been visiting programs, talking to welfare recipients, and meeting with many concerned people around the country to understand what is wrong with our present system and to develop strategies for change.

This morning, Dr. Ellwood and I would like to present some of our observations and conclusions and to articulate our vision of the system we would like to work with you to create. My testimony will provide an overview of some of the successes and failures of our current programs. Dr. Ellwood will be discussing some of the broader trends in poverty, demographics and the economy that influence our approach to reforming these programs. He will conclude by presenting a broad overview of the vision we are developing for a reformed welfare system.

As you know, through the Family Support Act of 1988, Congress made major changes to the welfare system and the child support enforcement program. Responding to public concern that welfare had become a way of life for too many families, Congress incorporated the principles of work and responsibility into the welfare system through the Family Support Act by: 1) creating the JOBS program; 2) mandating that more welfare recipients participate in employment, education, and training activities; and 3) making changes to increase the effectiveness of the child support system. Senator Moynihan and the Senate Finance Committee both displayed bold leadership in designing that legislation and getting it passed.

The Family Support Act is the cornerstone for our welfare reform proposals. It sets in place expectations that families -- not the government -- are first and foremost responsible for the well-being and support of their children; that even if they do not live with their children, parents are obligated to support them. It recognizes the need for investment in the education, training and employment of welfare recipients, as well as in child care and medical assistance which help them transition from welfare to work. Most importantly, it introduces the expectation that welfare reciprocity is a transitional period of preparation for self-sufficiency.

An obvious question is why we are talking about welfare reform again so soon if the Family Support Act forcefully attacked the problems of long-term welfare dependency. The short answer is that the Family Support Act represented only a down payment on welfare reform, and the down payment has proven insufficient. There were many impediments to change; not all were anticipated, and not all could be controlled. The increased complexity of the child support caseload and staggering growth in the AFDC caseload over the last few years (i.e., 33 percent growth between July 1989 and July 1993) stretched staff resources for both agencies. State budget shortfalls limited the staff available to manage the increased demand and the State dollars available for drawing down JOBS and other Federal matching funds. We did not adequately anticipate the downturn in the economy and the difficulties States would have funding their programs. Perhaps we also had unrealistic expectations about the speed and effectiveness with which changes could be fully operationalized. We may have also underestimated the effort needed to overcome the impact of ongoing demographic trends. Finally I think that we underestimated the inertia built into the existing systems--and the difficulties inherent in changing their culture and mission.

The Family Support Act made some essential changes, and State and local agencies have made substantial progress in implementing those changes. However, much remains to be done if we are to realize the promise of that legislation.

THE NEED FOR CHANGE

Members of the Working Group on Welfare Reform, Family Support and Independence have devoted a great deal of time and effort over the past seven months trying to learn firsthand about how the existing welfare and child support systems work, how they affect both clients and workers, where the problems are, and where some of the potential solutions are. We visited welfare and child support offices, talked to clients and staffs, and observed the application process. We also conducted five public hearings throughout the country; we listened to eloquent and often impassioned testimony from individuals and organizations about the strengths and flaws in the current system, as well as their ideas on how to fix it. Everywhere we went, we heard agreement about the need for significant change.

The most compelling testimony came from clients who were .. frustrated by barriers that were placed in their way when they attempted to assume responsibility for supporting their families. Their stories make a very strong argument for the need to make changes in the organizational culture of the system.

At our Washington hearing, individuals with welfare experience -- Patty Lesefske from Silver Spring, Md., and Sheila Wier and Monique Nickens from Virginia -- testified about the current system's inability to respond to their desires to become independent and self-sufficient. They expressed determination to do more than collect a welfare check so that they could end the emotional and financial devastation of being needy and provide a stable environment for their children. But they also spoke about how their determination was thwarted by an unyielding and unresponsive welfare system which punished them for trying to become independent. They cited their inability to obtain support services like child care and training which were theoretically available but difficult to access. They also spoke about how hard the system came down on them when they took the initiative to get a job and how difficult it was to become financially secure without child support or medical coverage.

In observing eligibility interviews in welfare offices across the country, I think all of us have been struck that the entire focus of the questioning is on the applicant's paperwork, and nearly none of it on their needs. A worker wants to see the latest electric bill, but has no time to talk about participation in the JOBS program. The system remains far too content to pay the electric bill and too little interested in empowering the applicant to pay it herself.

The impressions we have of welfare offices is of crowded conditions, overwhelmed workers, interminable waits, and astounding questions on the most minute details of their lives. There is no time to talk about anything except income, assets,

and family structure. Applicants must fill out applications of at least a dozen pages and maybe several applications if they are seeking child support, food stamps or other forms of assistance. They may need to provide twenty or more pieces of documentation and every conceivable proof of income and assets. Most likely, they will need to return for additional interviews since they rarely bring all the documentation they need on their first visit, and they have to come back repeatedly with the missing documentation.

The office, the interview and the entire process become a blur of paper, questions, and regulatory rigmarole. During these encounters the most important question may never be asked: "What can we do together to help you begin the process of becoming independent?"

Those trying to receive child support services face strikingly similar situations. At the public hearings we held in Cranford, New Jersey, and here in Washington we heard from a number of mothers who had been repeatedly frustrated in their efforts to secure child support from the children's absent parents. They faced a host of problems, including jurisdictional problems related to their husbands moving out-of-state, inadequate support orders, unresponsive bureaucracies, lost and misdirected paperwork, lack of case follow-up, inadequate investigative staffs, and legal bills. These problems resulted in their being deprived of tens of thousands of dollars of support and sometimes forced onto the welfare rolls.

I think our biggest disappointment with the implementation of the Family Support Act has been that we have not seen a widespread change in the organizational culture of the welfare system. We are far from the point where welfare is viewed as a "transitional period of preparation." There still is too little emphasis on self-sufficiency. While the Family Support Act spoke to greater integration of AFDC, JOBS and child support services, we have not seen much increase in such integration--except in some limited local situations where there has been particularly strong local leadership.

And, as the recent study by Irene Lurie and Jan Hagen from the Rockefeller Institute at the State University of New York points out, not much has changed in welfare offices. Front-line workers who were surveyed generally believed that their agencies' organizational environment did not fully support the goals of the JOBS program. In general, the culture of the welfare offices has not been transformed as we had envisioned.

A DIFFERENT SCENARIO

I do not want to imply that no progress is being made. All States have implemented their JOBS programs on schedule and are meeting requirements vis-a-vis participation rates and targeting. Nearly 600,000 individuals are participating in JOBS activities every month. Also, we have found notable examples of welfare programs that have refocused their efforts and changed their organizational culture. I'd like to highlight a couple.

Riverside

The first is in Riverside, California--one of the six counties being evaluated by the Manpower Demonstration Research Corporation (MDRC) as part of its study of the GAIN program. (GAIN is the name of the JOBS program in California.) I had the pleasure of visiting the JOBS program in Riverside this summer. This program provides a marvelous example of what it means to institute a change in agency culture. Everywhere I turned in the Riverside office, I saw the same clear, simple, and unequivocal message. The purpose of everyone there is to get AFDC clients employed. I heard the same message from Larry Townsend, the county director, as from line workers and recipients. It is conveyed during orientations, job clubs, and at all opportunities; it is also presented in slogans on posters, bumper stickers and lapel buttons. Work is valuable, and it is the means to a real future.

Staff understand what is expected of them. They are enthusiastic about their work and able to transfer that enthusiasm to their clients. They are given the tools to accomplish their jobs, and they are empowered to meet their clients' needs. They have manageable caseloads and the flexibility to provide services on a case-by-case basis. They are responsible not just for getting clients employed, but also for resolving problems that might keep them from staying employed. The emphasis on employment is reinforced through very specific placement goals, an aggressive job development and placement process, performance-based contracts, and ongoing, hands-on case management. Individuals needing education and training services can get them, but services are provided only in the context of a specific work objective.

Using this approach, the Riverside program has been able to achieve the largest impact among any of the six counties in the GAIN evaluation and the most significant impact we have ever seen in any large-scale study of welfare-to-work programs. After two years, the Manpower Demonstration Research Corporation (MDRC) found average increases in earnings by the experimental group of \$2,099, or 55 percent (over the control group average), and reductions in welfare payments of \$1,397, or 14 percent (again compared to the control group average).

While the results in Riverside county need longer-term evaluation, Mr. Chairman, I think it is clear that changing the organizational culture makes a very big difference. It is important that the managers of welfare agencies convey the message about the value of work and responsibility clearly to staff and clients. It is also important that they not send a lot of conflicting messages at the same time; they cannot bury the work and responsibility message under a mound of AFDC eligibility rules and processes and paperwork. Also, they must convey the message to sufficient numbers of recipients. If the vast majority of adult recipients are exempt, or deferred or excused (as happens in minimal JOBS programs), it is impossible to change the organizational culture of the system.

Riverside demonstrates a strong commitment to securing the participation of all mandatory registrants, and, where necessary, it employs formal penalties to enforce participation. These aspects of the program also contribute to changing the organizational culture.

Teen Parents

Other examples of programs which have incorporated a change in organizational culture are some demonstration projects focused on teen parents. Recent research findings from these projects have demonstrated that it is possible to have large-scale mandatory programs for teen parents that produce results. First, the Teen Parent Demonstration Program, which operated in Camden and Newark, New Jersey, and Chicago, Illinois, showed that teen mothers on AFDC who were part of a mandatory training and supportive services program achieved and sustained significantly higher rates of school attendance and employment. Furthermore, a commitment to universal mandatory participation can greatly affect the organizational culture; participation requirements substantially changed the expectations and motivation of staff as well as clients. Ohio's Learning, Earning and Parenting (LEAP) demonstration program (after three years of implementation) is also showing encouraging interim results in terms of significantly increasing school retention and getting teens to return to school or adult education.

Service to teen parents is another area where the promise of the Family Support Act has not been met. The Act requires States to place teen parents who have not finished high school in educational activities even if they have a young child (and would otherwise be exempt from JOBS requirements). Unfortunately, as the General Accounting Office has reported, implementation of this provision has been very uneven across the States. Participation has been by no means universal; for some, there has been little or no service intervention.

We believe that the Family Support Act is absolutely right in its emphasis on serving teen parents. We must work together with the States to see how to implement requirements for teen parents more effectively. In this context, we are concerned not just with their progress in becoming self-sufficient, but other types of outcomes such as delaying further childbearing, better child outcomes and better parenting.

OTHER PROMISING MODELS

Other programs such as the one in Kenosha, Wisconsin, and Pennsylvania's Single Point of Contact have worked to change their organizational culture through changes such as higher JOBS participation goals, with greater emphasis on early and extensive service interventions; "one-stop shopping" or co-location of service agencies; coordinated intake, case planning and management; more collaboration and better communication across agencies; simplified service delivery; better and clearer goals and priorities; better staff utilization; and improved use of existing resources in the community.

Many of these practices have also been adopted by the various parishes operating the Louisiana JOBS program, which is known as Project Independence. Examples there include community-based planning, collaboration between the welfare agencies and local school boards (in Shreveport), coordination with JTPA (in Iberia and Alexandria), linkages with Head Start (in New Iberia/Lafayette), and non-traditional placements (in New Orleans).

Replicating programs and practices such as these, I believe, is one key to building effective JOBS programs across the country.

THE IMPACT-OF JOBS

Recent findings we received from the evaluations of California's Greater Avenues for Independence (GAIN) program and Florida's Project Independence reaffirm that education, training, and employment programs implemented in a variety of circumstances can substantially reduce dependency. Because of its longer follow-up period, I will focus on GAIN, but I want to point out that impacts for Project Independence are similar to what GAIN's were at the same point, and that California and Florida account for over one-fifth of the nation's AFDC recipients.

As I am sure the Subcommittee members are aware, Mr. Chairman, GAIN is a statewide initiative that predated the implementation of JOBS, but now serves as California's JOBS program. The GAIN evaluation was designed and begun prior to the implementation of JOBS, but continued as the GAIN program was converted to JOBS.

It thus gives us an early indication of the impact we might expect from the JOBS program.

According to MDRC's preliminary findings, five of the six counties studied showed moderate-to-large gains in earnings and/or welfare savings. Across all six counties, earnings for registered single parents increased 21 percent over the control group (with higher, 24 percent increases in the second year). Welfare payments were reduced six percent (seven percent in the second year).

There are some equally encouraging data regarding GAIN's effects on employment and case closures. Twenty-nine percent of single parents were working at the end of the follow-up period -- a statistically significant, 25 percent increase over the employment rate for the control group. Three counties showed a significant decline (ranging from 3.1 to 11.5 percent) in the proportion of registrants who were receiving AFDC at the end of two years. Further, it is plausible that larger effects will emerge as the registrants who have only recently started education and training components become job-ready.

GETTING SUPPORT FROM NONCUSTODIAL PARENTS

During the past 5 years, the Family Support Act has also led to substantial improvement and innovation in the child support program. In FY 1993, we collected an estimated \$8.8 billion in support--about double the amount we were collecting just before passage of the Family Support Act. Also, we established an estimated 550,000 paternities--about 80 percent more than in FY 1988. However, the change has not been sufficient to address the growth in out-of-wedlock births and societal indifference to non-support. The Act provided enhancements to overall program effectiveness, but it did not address some of the fundamental weaknesses of the existing system: the problems in interstate enforcement, the fragmentation of the system, and the need to create a seamless system where payment of child support is enforced on behalf of all custodial parents, including those trying to make it outside the welfare system.

In addition to addressing these fundamental problems with the system, we must address other specific shortcomings. Two examples are review and adjustment of orders and immediate wage withholding.

The Act requires periodic review and adjustment of support orders, but the process involved is a lengthy one, often consuming six months or more. As part of our welfare reform efforts, we are looking at options for streamlining this process to insure that equitable support amounts are routine and ongoing. Similarly, we are also looking at ways to improve the effectiveness of the immediate wage withholding provisions

provided under the Act. Immediate wage withholding is now our most powerful collection technique for obtaining child support payments. However, its impact is of surprisingly short and uneven duration due primarily to job mobility. A National New Hire reporting system which would provide child support workers ready access to employment information and build upon the provisions of the Family Support Act is being given careful attention in our welfare reform deliberations. We are looking at the experience of States such as Washington and Alaska to inform our efforts.

The President's 1993 economic package made a down payment on his pledge to ensure that both parents take responsibility for their children by capitalizing on some of the pioneering State innovation in paternity establishment and medical support. Our welfare reform efforts will fulfill that pledge.

MOVING FORWARD

Through the Family Support Act and other State and local initiatives, we have gained a better understanding of how our welfare and child support enforcement systems work and about the effectiveness of some alternative program models. The experience and perspective which recipients, advocates, community-based organizations, State and local officials, and researchers have shared with us has also been very instructive in helping us develop our proposals.

While we have not developed a final plan, and cleared such a plan with the President, we have agreed to some common principles. We must carry out the mandate of the Family Support Act and make the welfare system more work-focused. We must change the organizational culture in welfare agencies so that they enforce, rather than undermine, the values of work and responsibility. We must provide more and better support to families in getting the education, training, employment and child care they need to become self-supporting. At the same time, we must make sure that work pays and that child support is more available.

If we are to transform the culture of the welfare system, Federal agencies -- particularly ACF -- need to focus more attention on how States perform in helping clients become self-sufficient and less on how well they maintain their paper trails. We must also provide stronger Federal leadership and make the Federal government a better partner to the States. We need to give States more help in implementing changes and adopting effective practices. We need to do a better job incorporating new technology (including national automated systems where appropriate). And we need to simplify the program rules and administrative requirements we impose on States.

In summary, Mr. Chairman, the Working Group has been very encouraged both by the wide degree of consensus we have found over the need to reshape the system and by the models of reform we have seen. Across the country and across the political spectrum, people agree that our goal is a system that supports work and responsibility. The challenge we see is that successful programs such as Riverside and Kenosha require nothing short of reshaping the mission and culture of the welfare system.

We look forward to working with you and the Committee to meet the enormous and historic challenge of fulfilling the promise of the Family Support Act. Changing a system that is currently too focussed on writing checks and processing paper to one that truly expects people to become independent and self-sufficient may be daunting, but doing so will truly result in an end to welfare as we know it.

STATEMENT BY

DAVID T. ELLWOOD

**ASSISTANT SECRETARY FOR
PLANNING AND EVALUATION**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

BEFORE THE

**SENATE COMMITTEE ON FINANCE
SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY**

JANUARY 18, 1994

STATEMENT BY
DAVID T. ELLWOOD
ASSISTANT SECRETARY FOR
PLANNING AND EVALUATION
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
BEFORE THE
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY

JANUARY 18, 1994

Good morning, Mr. Chairman and members of the Subcommittee. Thank you for the invitation to appear before you today. I am encouraged by the Committee's long-standing interest in improving the nation's system of support for children and families, and I look forward to working with you as we continue to develop the President's welfare reform proposal.

There is near universal consensus that the current welfare system does not work. Americans share powerful values regarding work and responsibility and yet our current welfare system seems at odds with these core values. People who work, who play by the rules, are often worse off than those on welfare. Those on welfare need and desire the opportunity to become self-sufficient. Instead, they face a system that has traditionally placed far greater emphasis on verifying income and issuing monthly assistance checks than on helping people work and achieve real independence.

My co-chair on the Welfare Reform Working Group, Mary Jo Bane, has just recounted how the Family Support Act of 1988 has made progress in moving toward a system that encourages and facilitates self-sufficiency rather than seeming to defeat it. We need to build on the foundations laid by the Family Support Act, to make the bold vision embodied there into a reality. Today I will talk about the vision that has led the efforts of the Working Group on Welfare Reform and the steps taken thus far in developing a welfare reform plan for the President.

First, I would stress that welfare reform cannot be viewed in isolation from larger forces that run deeper than the problems associated with our discredited system of welfare. I am speaking of economic and demographic forces that have wrought powerful changes in the spheres of work and family in American society.

In my view, the most dramatic and important of these economic and demographic forces involve (1) the decline in wages of low-income workers over the last twenty years, and (2) the increase in single-parent families. These are the two primary reasons for the growth in overall poverty and of special concern, poverty among children.

Low Wages

Perhaps the most dramatic economic change over the past twenty years has been the changes in the wage structure. In the quarter century following World War II, real wages increased by 40 percent per decade until the early 1970s. And then the growth stopped. Wages stagnated, and some groups began to lose ground. For the first time in many generations, many labor market entrants are earning less than their parents did.

And when the economy stumbles, the working poor fall. There is now clear evidence that the workers at the upper end of the economic distribution have fared far better over the recent past than those at the bottom. Young workers, the less well educated, and minorities in particular have disproportionately borne the brunt of economic changes of the past few decades. Wage inequality has increased to levels greater than at any time since 1940. The gaps between hourly earnings of a full-time worker in the 90th percentile of the earnings distribution and a worker in the 10th percentile grew by 20 percent for men and 25 percent for women from 1979 to 1989. This gap has continued to increase in the early 1990s.

Not only has wage inequality increased, but there has been a large growth in the number of workers with low and very low earnings. (In 1990 full-time, full-year workers with low earnings were classified as those earning less than \$12,195; this is the poverty line for a four person family with two children.) Between 1964 and 1974, the proportion of year round full-time workers earning low wages actually declined from 24 percent to 12 percent in the mid 1970s. Since 1979, however, there has been a rise in the prevalence of low earnings among full-time full year workers. In 1990, 18 percent of year-round, full-time workers earned low wages.

A second source of concern is the increase in joblessness, particularly among young workers. Joblessness, which I'll define as the proportion of workers reporting no work or earnings for an entire year, has increased among all young workers. Among

persons aged 25-34, there has been an increase between 1967 and 1989 in the percentage of men who did not work, for both blacks and whites and for all education levels.

Single Parent Families

Economic changes relating to declining wages have taken place over roughly the same time period that profound demographic changes affecting family structure have occurred.

Everyone knows that Ozzie and Harriet are not typical. Responding to this reality is one of the most important challenges we face. In 1960, about 9 percent of all children lived in one-parent families. In 1991, about 25 percent, or one in four children, lived in a single-parent family. There are striking differences in family structure between white and blacks. In 1960, 9 percent of white children were not living with two parents. By 1990, the figure had risen to 21 percent. For blacks the changes were even more dramatic: 33 percent of black children were not living with two parents in 1960; thirty years later 62 percent were not.

Recent estimates now indicate that about half of all children born in the 1980s will spend some time in a single-parent family. The numbers are even higher for certain children -- at least 80 percent of all black children and 43 percent of all Hispanic children, compared to 36 percent of all white children will spend at least some time in a single-parent home before reaching age 16.

Since 1970 the number of divorced parents has almost tripled, but divorce rates, while still high, have stabilized since the mid-eighties. In contrast, there was unprecedented growth in the number of out-of-wedlock births during the 1980s and this accounts for virtually all of the recent rise in single-parent families. Currently more than one million children are born to unwed mothers each year -- a 64 percent increase from 1980. According to the most recent vital statistics figures available, nearly 30 percent of all births were to unmarried mothers in 1991; 22 percent of births to white women and 68 percent of births to black women.

Contrary to what many people believe, most of these out-of-wedlock births are not to teenage mothers. Unmarried teen mothers, age 19 or younger, were responsible for only a third of all out-of-wedlock births in 1991.

The Impact on Children

While the causes of changing family structure and earnings over time are complex, their implications for the economic well-being of children and families are straightforward. Our children are in trouble.

By the official poverty measure, more than one child in five is considered "poor," and 40 percent of all the poor are children. In 1992, almost half (46 percent) of female headed families with children under 18 lived below the poverty level. Regardless of race, the incidence of poverty among single-parent families with children was high, but particularly so for minorities--57 percent of black and Hispanic female-headed households with children lived below the poverty level, compared to 40 percent of white single-parent households with children.

By contrast, less than a tenth (8.4 percent) of two-parent families with children under 18 lived in poverty. Poverty rates among two-parent black and Hispanic families with children was higher than among white two-parent families with children; 15 percent among black two-parent families and 23 percent among Hispanic two-parent families versus 8 percent among white two-parent families. Still, poverty rates across racial and ethnic lines were much lower among families in which parents were married than among those headed by a single parent.

An increase in poverty has resulted in an increase in welfare receipt. The average monthly number of children receiving AFDC benefits remained relatively stable between 1971 (7.0 million) and 1989 (7.4 million). Since then, that number has increased by almost one-third to about 9.6 million children in 1993, while the total number of children in the United States has remained steady. Likewise, the total number of recipients jumped dramatically from 10.8 million to 14.2 million since 1989. This sharp increase represents record breaking levels in AFDC receipt--for the first time the number of families receiving AFDC benefits exceeded the 5 million mark earlier this year. This occurred in spite of the fact that the average amount of benefits received by AFDC families has declined by approximately 40 percent over the past twenty years, once inflation is accounted for.

A New Vision Based on Traditional Values

Our current welfare system is an inappropriate and often counterproductive response to the forces of declining wages and the growth of female-headed families. Our system is at odds with the basic American values of work and responsibility. People who go to work are often worse off than those on welfare. Single-parent families sometimes get welfare benefits and other services that are unavailable to equally poor two-parent families.

Noncustodial parents often provide little or no economic or social support to the children they parented. Despite the positive reforms brought about by the Family Support Act, not enough people are getting access to education, training, and employment skills, the welfare system is still driven by complex eligibility rules, and focused on benefit calculations and writing checks. The very culture of welfare offices creates an expectation of dependence rather than independence.

President Clinton's pledge to "end welfare as we know it," was based on the following four principles:

Make Work Pay -- People who work should not be poor. They must get the support they need so they can both work and adequately support their families. Incentives must be made available through the economic support system that encourage families to work and not discourage them from leaving welfare.

Dramatically Improve Child Support Enforcement -- The message is simple. Both parents have a responsibility to support their children. One parent should not have to do the work of two. However, only one-third of single parents currently receive any court-ordered support. In his speech before the National Governors' Association last February, President Clinton stated that we need to make sure that parents who owe unpaid child support pay it. This money would reduce welfare dependency, help lift single parents out of poverty and contribute to controlling government expenditures.

Provide Education, Training, and Other Services to Help People Get Off and Stay Off Welfare -- To reduce the need for welfare support, people should have access to basic education and training necessary to get and hold onto a job. Existing programs encouraged by the Family Support Act of 1988 need to be expanded, improved and better coordinated.

Create a Time Limited Transitional Support System Followed by Work -- With the first three steps in place, assistance through welfare can be made truly transitional as it was originally intended. Those who are healthy and able to work will be expected to move off welfare quickly and those who cannot find jobs should be provided with them and expected to support their families.

To fulfill his pledge, the President formed the Working Group on Welfare Reform, Family Support and Independence to develop a plan for welfare reform that provides opportunity, but also rewards work and demands responsibility. The Working Group, which Mary Jo and I co-chair along with Bruce Reed from the Domestic Policy Council, is made up of senior level appointees

representing eight different Departments and seven White House offices.

The Working Group has made public involvement and input a top priority and has taken several steps to accomplish this. We conducted a series of five regional hearings in Chicago, Washington, Cranford (New Jersey), Sacramento, and Memphis to give members of the Working Group an opportunity to hear ideas and opinions from across the country. Approximately 150 groups testified. We also made site visits to model programs, county welfare offices, and individual communities in the course of our regional trips and had opportunities to meet with scores of welfare recipients.

From these visits, as well as from meetings with organizations and correspondence from the public, we have become aware of the wide range of concerns regarding any reform program. Groups have advocated flexibility within a blanket reform program, strengthening the current education and training programs, increasing access to quality day care, better coordinated services among agencies, and a stronger child support enforcement system.

The Working Group's vision for welfare reform is simple yet powerful. Our goal is to move people from welfare to work, and to bolster their efforts to support their families and contribute to the economy. We believe we must refocus the system of economic support from welfare to work, and we must reshape the expectations of government and the people it serves.

The Working Group believes that work is central to the strength, independence, and pride of American families. We accept that families sometimes need temporary cash assistance while they struggle past personal tragedy, economic dislocation, or individual disadvantage. But we believe that no one who can work should receive cash assistance -- or welfare -- indefinitely. And we believe that parents, not governments, are responsible for the support of their children.

To truly "end welfare as we know it," we must build on the values of work and responsibility. Those on cash assistance cannot collect welfare indefinitely. After a time-limited transitional support period, work -- not welfare -- must be the way in which families support their children.

The Working Group has developed a vision for true welfare reform that translates the President's principles into four fundamental elements, and builds on the values of work and responsibility.

1. Reward people who go to work by making work pay, by ensuring that people who play by the rules get access to the child care, health insurance, and tax credits they need to adequately support their families.
2. Promote parental responsibility by strengthening child support enforcement so that noncustodial parents provide support to their children and by looking at ways to prevent teen pregnancy. Parents should take responsibility for supporting and nurturing their children.
3. Promote work and self-support by providing access to education and training, making cash assistance a transitional, time-limited program, and expecting adults to work once the time limit is reached.
4. Reinvent government assistance to reduce administrative bureaucracy, combat fraud and abuse, and give greater State flexibility within a system that has a clear focus on work.

I'll discuss the Working Group's thinking on each of the four elements:

Make Work Pay

We believe work is at the heart of the entire reform effort. To make work "pay" for welfare recipients, we believe we must provide some support for working families, and ensure that a welfare recipient is economically better off by taking a job. We see three critical components to making work pay -- providing tax credits for the working poor, ensuring access to health insurance, and making child care available.

This Administration, together with Congress and the Finance Committee, have already expanded the Earned Income Tax Credit (EITC), which was effectively a pay raise for the working poor. When fully implemented the EITC will make a \$4.25 per hour job pay the equivalent of \$6.00 per hour for a family with two children. Now, we should encourage greater utilization of the advance payment of the EITC so that people can receive it periodically during the year, rather than as a lump sum at tax time.

We also must guarantee health security to all Americans through health reform. Part of the desperate need for health reform is that non-working poor families on welfare often have better health coverage than working families. It makes no sense that people who want to work have to fear losing health coverage if they leave welfare.

The final critical element for making work pay is child care. We would seek to ensure that working poor families have access to the quality child care they need. We do not believe we can expect single mothers to participate in training or go to work unless they have care for their children.

Promote Parental Responsibility

If we are going to end long-term welfare dependency, we believe we must start by doing everything we can to prevent people from going onto welfare in the first place. Families and communities need to work together to ensure that real opportunities are available for young people, and to teach young people that men and women who parent children have responsibilities and should not become parents until they are able to nurture and support their children.

A prevention strategy would provide better support for two-parent families and send clear signals about the importance of delaying sexual activity and the need for responsible parenting. Teen pregnancy is an enduring tragedy -- children who have children face tremendous obstacles to self-sufficiency. As I noted earlier, the total number of children born out of wedlock has more than doubled in the last 15 years to 1.2 million annually. We are approaching the point where one out of every three babies in America will be born to an unwed mother. The poverty rate in families headed by an unmarried mother is currently 63 percent.

We must also enforce child support. Our current system of child support enforcement is perceived to be heavily bureaucratic and legalistic. It often fails to hold accountable the fathers of children born out of wedlock from any obligation to support their children, while frustrating those who do pay. And the biggest indictment of all is that, although collections in Fiscal Year 1993 were about double the amount just before passage of the Family Support Act, only a fraction of what could be collected is actually paid.

We believe the child support enforcement system must strongly convey the message that both parents are responsible for supporting their children. One parent should not be expected to do the work of two -- opportunity and responsibility ought to apply to both mothers and fathers. Government can assist parents, but cannot be a substitute for them, in meeting those responsibilities. We believe that movement toward universal paternity establishment and improved child support enforcement would send an unambiguous signal that both parents share the responsibility for supporting their children.

Provide Access to Education and Training, Impose Time Limits, and Expect Work

The Family Support Act of 1988 provided a new vision of mutual and reciprocal responsibility for government and recipients alike -- government has a responsibility to provide access to the education and training that people need, and recipients are expected to take advantage of these opportunities and move into work. The Family Support Act created the Job Opportunities and Basic Skills (JOBS) training program to help move people from welfare to work. Unfortunately, as Mary Jo mentioned, one of the clearest lessons we learned from our site visits and public forums is that this vision is largely unrealized at the local level. The primary function of the current welfare offices is still meeting administrative rules about eligibility, determining welfare benefits, and writing checks. The current JOBS program serves only a fraction of the caseload. We don't need a welfare program built around "income maintenance" -- we need a program built around work.

Is it really possible to move people into jobs? We believe it is. Recent research conducted by LaDonna Pavetti shows that there is even greater movement on and off the welfare rolls than we had previously thought. By exploiting the recent availability of monthly longitudinal data on the receipt of welfare, this research is able to capture short-term movement on and off the welfare rolls that was missed in earlier research that relied on annual data. In this research, Pavetti finds that it is extremely common for women to leave the welfare rolls and to do so very soon after they begin a spell of welfare receipt.

However, she also finds that for many women, this movement off the welfare rolls is extremely short-lived. More than half of all welfare recipients who begin a spell of welfare receipt leave the welfare rolls within the first year; by the end of two years the percentage who have left increases to 70 percent. By the end of five years, only about 10 percent have not left the welfare rolls. Unfortunately, most people do not stay off welfare. Some 70 percent of those who leave will eventually return, often quite quickly.

Based on these findings, we now believe that welfare serves three purposes: short-term assistance, episodic assistance and long-term income maintenance. Our best estimates suggest that about 40 percent of women who ever use welfare are short-term users, about one-third are episodic users and one-quarter are long-term users. This means that our policies to change welfare need to focus not only on getting women off welfare, but also on helping women to stay off the welfare rolls once they leave. That is why making work pay is so important. That is why child support is critical, and that is why training really could work.

We believe we need to transform the culture of the welfare bureaucracy. The message is simple: everybody is expected to move toward work and independence. We would expand access to education, training, and employment opportunities, and insist on higher participation rates in return. We envision a system whereby people would be asked to start on a track toward work and independence immediately. Exemptions and extensions would be limited. Each adult would sign a social contract that spells out their obligations, as well as what the government will do in return. The system must be sensitive to those who for good reason cannot work -- for example, a parent who is needed in the home to care for a disabled child. But we should not exclude anyone from the opportunity for advancement -- everyone has something to contribute.

At the end of two years, people still on welfare who can work but cannot find a job in the private sector would be offered work in community service. Communities would use funds to provide non-displacing jobs in the private, non-profit, and public sectors. They could form partnerships among business leaders, community groups, organized labor, and local government to oversee the work program.

The Working Group believes this may be the most sensitive and critical element of the reform program. We are consulting with labor organizations, government officials, advocates, recipients, and the business community. The purpose of these meetings is to draw on their expertise and experience in order to craft the work component of the program. We envision a system that lets each community utilize a variety of strategies to respond to the needs of its own particular labor market. Those strategies could include business subsidies, private industry councils, or contracts with private companies. It is this close consultation with the business community that makes this reform effort unique, and that will ultimately influence its success.

Reinvent Government Assistance

A major problem with the current welfare system is its enormous complexity and inefficiency. It consists of multiple programs with different rules and requirements that confuse and frustrate recipients and caseworkers alike. Waste, fraud and abuse can more easily arise in a system where tax and income support systems are poorly coordinated, and where cases are not tracked over time or across geographic locations.

The real work of encouraging work and responsibility will happen at the State and local levels. The Working Group believes the Federal Government must be clearer about stating broad goals and give more flexibility over implementation to States and localities. We envision simplifying and streamlining rules and requirements across programs to the maximum extent possible.

Basic performance measures regarding work and long-term movements off welfare might be combined with broad participation standards. States should be expected to design programs which work well for their situation.

Technology now allows us to create a Federal clearinghouse to ensure that people are not collecting benefits in multiple programs or locations when they are not entitled to do so. Such a clearinghouse would also allow better interaction between the child support enforcement and welfare systems, as well as provide information about which people in which areas seem to have longer or shorter stays on welfare.

Transforming the social welfare system to one focused on work and responsibility will not be easy. A welfare system which evolved over 50 years will not be recast overnight. The myriad social and economic forces that influence the poor and non-poor alike run deeper than the welfare system. We do not have all the answers, and we must guard against unrealistic expectations. But we must think boldly and consider an array of policy options that will serve to reinforce the basic values of work and responsibility and enable us to preserve our children's futures.

Thank you Mr. Chairman and members of the Subcommittee.
Thank you

STATE MATCH RATES		
PROGRAM	Current Law	Proposed
Child Support Enforcement	Regular Services and Administration: 66% Priority Services: 90% Performance incentives make FFP 100% or greater possible	Regular Services and Administration: 75% Priority Services: 90% Performance incentives make effective FFP as high as 95%
JOBS/WORK	Service: JOBS FMAP (60% floor) Administration: 50% Grandfathered WIN money: 90%	Service and Administration: JOBS FMAP + 7 (67% floor) Performance Incentives
Child Care for Working Poor	FMAP	to be determined
Benefits including WORK wages	FMAP	FMAP

Welfare Reform Working Group
Talking Points: **OVERALL PLAN**
May 4, 1994

"It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it--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. We can provide opportunity, demand responsibility, and end welfare as we know it." President Clinton, Putting People First, p. 164.

Welfare reform is based on two simple principles: work and responsibility.

Unfortunately, the current welfare system undermines these values by making welfare more attractive than work, and allowing parents to avoid responsibility for supporting their children. The President's plan would restore the basic values of work and responsibility, provide opportunity, and promote the family.

Under the President's plan, welfare will be about a paycheck, not a welfare check.

To reinforce and reward work, our approach is based on a simple compact. Support, job training, and child care will be provided to help people move from dependence to independence. But after two years, anyone who can work, must work--in the private sector if possible, in a public service job if necessary.

Reform will make welfare a transitional system leading to work: a second chance, not a way of life. From the very first day, the new system will focus on making young mothers self-sufficient. With child care and job search assistance, many people will move into the workforce well before the two-year time limit. And from the very first day, teenage mothers will be required to live with their parents, stay in school, and attend job training or parenting classes. Everyone will be moving toward work.

Our approach also correctly focuses on young parents--those who have the most to gain and the most at risk. By initially focusing our resources on mothers under age 25, we will send a strong signal to teenagers that welfare as we know it has ended. They must get the message that staying in school, postponing pregnancy, preparing to work, and supporting their children are the right things to do. As welfare reform is phased in, a larger percentage of the caseload will be covered; and states which want to move even faster will be able to use federal matching funds to do so.

To support work and responsibility, work must pay. Already, 70 percent of welfare recipients leave the welfare rolls within two years--but most will eventually return. That's why we must use the Earned Income Tax Credit, guaranteed health care at work, and child care to make any job more attractive than welfare. The EITC alone will effectively make a minimum wage job pay \$6.00 an hour, helping to lift

millions of people who work out of poverty.

To reinforce personal responsibility, the plan will take new steps to require full payment of child support. It sets up a new system of paternity establishment to enforce the responsibility of both parents from the moment the child is born. It involves the IRS in tracking delinquent parents from the moment they start a new job to the point that child support is delivered to the family. And it sets up a computer system to be sure that parents don't avoid their responsibilities by crossing state lines.

Responsibility and accountability must also extend to the welfare office itself. Unfortunately, the current system focuses too often on simply sending out welfare checks. We must change the welfare office to a place that is fundamentally about moving people into the workforce. To do that, we must reward performance, not process, and change the culture of the welfare office.

Our approach builds on the successful philosophy of the Family Support Act, championed by then Governor Clinton in 1988. More federal funding will help states provide increased job opportunities and basic skills training to mothers over age 25, even before the plan is fully phased in.

Welfare Reform Working Group

Talking Points: **STATE ISSUES: FINANCING, FLEXIBILITY, AND WAIVERS**

May 3, 1994

"I do believe the states are the laboratories of democracy. I do believe that where people are charged with solving the real problems of real people, reality intrudes, and politics often is more likely to give way to making progress...[The Family Support Act] was never fully implemented because [states] had to spend all [their] money on mandatory...medical costs and building prison cells...So we need to begin there."

President Clinton, remarks to the National Governors' Association 2/1/94

"We gave the states more power to innovate because we know that a lot of great ideas come from outside Washington and many states are already using it."

President Clinton, State of the Union address 1/25/94

President Clinton's welfare reform plan will support states while increasing flexibility. President Clinton recognizes that some welfare problems require federal aid in the form of technical assistance, simplified regulations, or greater federal funding. But other problems are tied to specific social and economic issues and demand local flexibility.

Already, the Clinton administration has recognized the value of state efforts. Since January 1993, HHS has granted demonstration waivers to 14 states. States are already experimenting with time-limited aid programs followed by work, assistance for two-parent families, and special requirements for teenage mothers. Our welfare reform program will build on the knowledge and experience gained through these state initiatives.

Welfare reform will not mean additional unfunded state mandates. Instead, we will increase federal funding for JOBS, pregnancy prevention, child care, and child support enforcement. We will provide new funding for WORK programs. And we will raise federal matching rates to make money more available.

States will share in the benefits of welfare reform. Since AFDC is a joint federal-state program, states will benefit from welfare reform's emphasis on child support enforcement and moving recipients into the work force.

The WORK program continues and expands the flexibility of the existing JOBS program. States must provide work opportunities for those unable to find unsubsidized private sector jobs after two years, but states and local communities can tailor these WORK programs to local needs and circumstances. Local governments will be able to subsidize private sector employers, create public sector work slots, or enter into creative agreements with businesses or non-profit agencies.

The Administration's plan recognizes that states will need adequate time to move to the new system. By contrast, the House Republican welfare plan (HR 3500) requires an eight-fold increase from current participation levels within eight years. And while state costs would inevitably grow, the Republican bill provides no additional federal matching dollars for work and training programs, child care, or other services. Our phase-in strategy lets states start with a manageable caseload, and go farther with federal help if they wish to.

The Clinton plan will likely provide state options to:

- Extend assistance to poor two-parent families;
- Use monetary incentives as well as sanctions to keep teen parents in school or GED class;
- Deny increased benefits to women who have additional children while on welfare;
- Develop mandatory work programs for noncustodial parents;
- Grant a limited number of extensions to women in work-study programs or other activities necessary to prepare for work;
- Set higher earnings disregards for recipients.

Welfare Reform Working Group
Talking Points: **WAIVERS**
May 3, 1994

"We [must] also revolutionize our welfare system. Last year, we began this. We gave the states more power to innovate because we know that a lot of great ideas come from outside Washington and many states are already using it."
President Clinton, State of the Union address 1/25/94

"I do believe the states are the laboratories of democracy. I do believe that where people are charged with solving the real problems of real people, reality intrudes, and politics often is more likely to give way to making progress."
President Clinton, remarks to the National Governors' Association 2/1/94

President Clinton's welfare reform plan builds on a strong record of state innovation and state success. Under the Social Security Act, the Department of Health and Human Services can exempt states from laws governing the AFDC and Medicaid programs. This waiver program has allowed states to explore alternative welfare approaches and adapt federal programs to local needs.

The Clinton administration has streamlined the waiver process, increasing state flexibility while maintaining quality services for HHS beneficiaries. Faster reviews have meant more flexibility for states and a better federal partnership.

The scale of the waiver program reflects state eagerness for welfare reform. Since January 1993, HHS has approved welfare demonstration projects in 14 states: Arkansas, California, Colorado, Florida, Georgia, Illinois, Iowa, North Dakota, Oklahoma, South Dakota, Vermont, Virginia, Wisconsin, and Wyoming. Eleven other states have applications pending.

Waivers allow a striking variety of initiatives. Some states have required teenage mothers to live at home rather than in households of their own, to stay in school, and to participate in job training. Others have reduced or eliminated aid after two years--often providing transitional jobs--in order to encourage work and self-sufficiency.

TALKING POINTS on H.R. 3500
FISCAL IMPACT OF THE HOUSE REPUBLICAN WELFARE REFORM PROPOSAL
ON STATES AND LOCALITIES

President Clinton has sought to reform welfare for years and we are pleased that Republicans have developed legislation which shares many of our priorities. President Clinton sponsored innovative programs as Governor of Arkansas and was instrumental in passage of the Family Support Act of 1988.

The Republican legislation is proof that the consensus on the need for reform reaches across party lines. Everyone--Democrats and Republicans, administrators and recipients--agrees that we must reform the welfare system. It doesn't work, and it doesn't reflect the values of work and responsibility.

The Republican legislation includes many elements of the plan that President Clinton has already outlined. Both emphasize the values of work, family, opportunity, and responsibility. Both make public assistance a transitional benefit leading to mandatory work; emphasize parental responsibility and delaying sexual activity; and provide funding for education, training, child care, and job creation.

However, there are significant differences between our plan and the House Republican bill--differences that could have a significant negative fiscal impact on state and local governments.

The Clinton plan will protect states while increasing state flexibility. The House Republican bill contains many elements that are likely to shift costs dramatically to state and local governments and to their taxpayers.

Increasing Participation Rates

- **The House Republican bill raises minimum participation rates for work and training programs to an unrealistically high level of 90% by 2002. This requirement places a significant burden on states. It represents an 8-fold increase from current participation levels (11%) in 8 years. While states will only be required to serve participants for an average of 10 hours per week, states would be forced to increase spending levels considerably to meet this requirement. Even though state costs will increase, the bill does not provide for any increase in matching federal dollars for these programs, child care, or other services.**

Eliminating Benefits

- **The House Republican bill would eliminate benefits for single teenage parents. Elimination of benefits could increase homelessness and the need for foster care, and would create a greater strain on states' social service systems.**

Restricting Services to Legal Immigrants

- The House Republican bill would eliminate all benefits for non-citizens, except permanent aliens and refugees. States understand that this harsh measure would result in a massive cost-shift to state and local services.

Combining Nutrition Assistance into a Capped Block Grant

- The House Republican bill proposes combining all nutrition assistance programs into a capped block grant, significantly reducing Federal spending on nutrition assistance (by \$2 billion starting in FY 1995). This would result in a large cost-shift to states.
- In addition, the nutrition assistance block grant apportionment does not allow for state flexibility, and does not take into account varying economic conditions. Consequently, it would penalize those states which have engaged in anti-poverty measures and/or have a smaller percentage of their citizens living in poverty.
- Future adjustments to the size of the block grant is based on change in population, which may not reflect change in the size of the eligible/needy population.
- The block granting of nutrition assistance programs is restrictive and results in poor targeting of resources. Mandatory funding allocations leave remaining resources well below the amounts needed to operate the Food Stamp and other nutrition assistance programs adequately, and could result in substantial costs to states.

Limiting Other Entitlements

- The House Republican bill caps outlay growth in AFDC, SSI, public housing, Section 8, Food Stamps, and EITC at 2% per year plus inflation. This could greatly reduce the ability to operate these programs effectively and might result in great cost shifting to states.

Slowing the Simplification and Streamlining of Government Assistance

- The bill fails to address the numerous difficulties that States encounter due to varying and contradictory program and eligibility requirements across Federal assistance programs.
- The House Republican bill keeps systems complicated by delaying nationwide implementation of Electronic Benefit Transfer (EBT) for at least five years.
- The bill does not address the need for technical assistance and resources to enable states to completely and successfully implement the programs. Under this proposal, states themselves would have to supply resources in order to have the management information systems and capabilities need for a time-limited transitional program. These costs could be substantial.