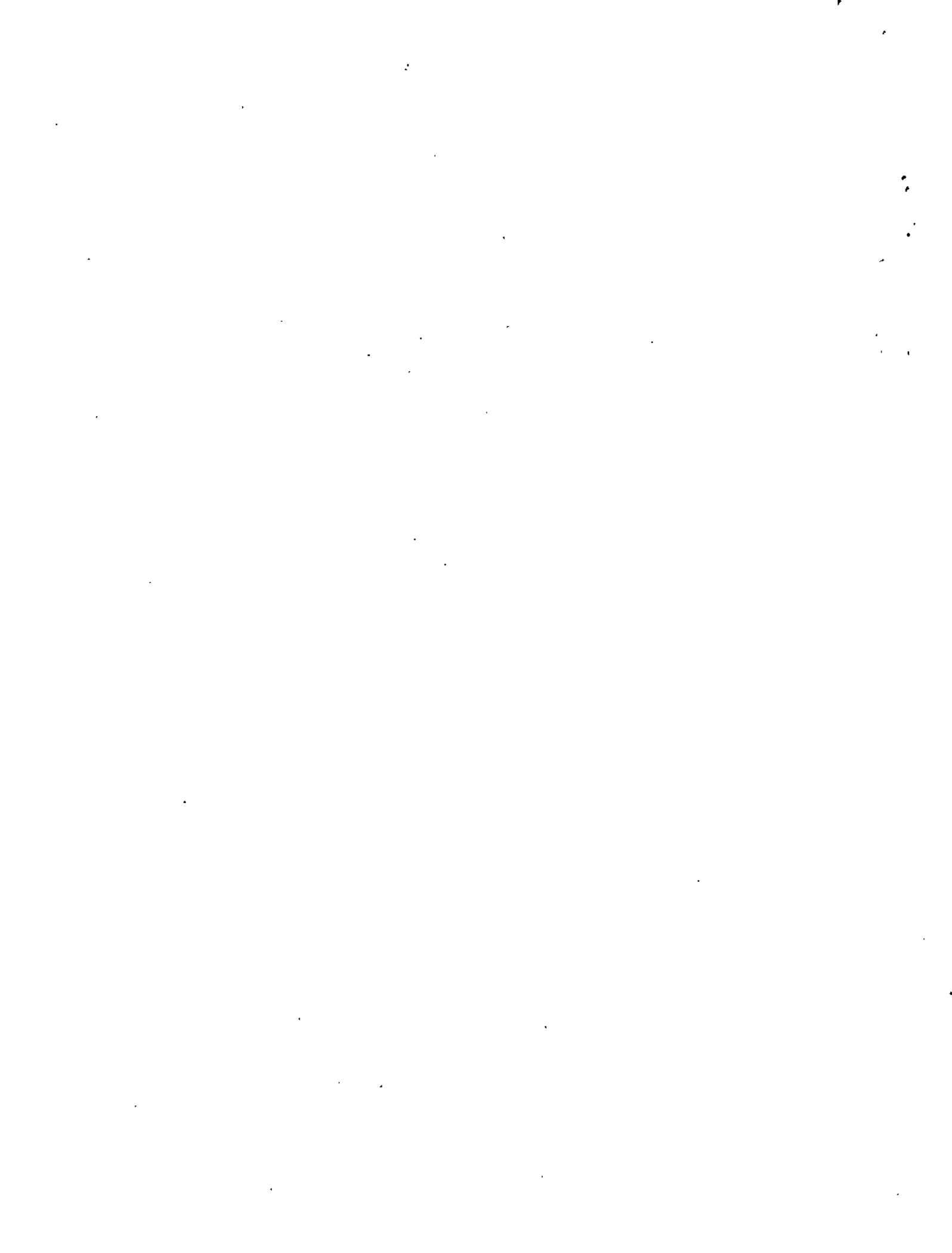


**WORK AND RESPONSIBILITY ACT
OF 1994**

DETAILED SUMMARY



WORK AND RESPONSIBILITY ACT OF 1994

DETAILED SUMMARY

The current welfare system is at odds with the core values Americans share: work, family, opportunity, responsibility. Instead of rewarding and encouraging work, it does little to help people find work, and punishes those who go to work. Instead of strengthening families and instilling personal responsibility, the system penalizes two-parent families, and lets too many absent parents who owe child support off the hook. Instead of promoting self-sufficiency, the culture of welfare offices seems to create an expectation of dependence rather than independence. And the ones who hate the welfare system the most are the people who are trapped by it.

It is time to end welfare as we know it, and replace it with a system that is based on work and responsibility designed to help people help themselves. We need to move beyond the old debates and offer a simple compact that gives people more opportunity in return for more responsibility. Work is the best social program this country has ever devised; it gives hope and structure and meaning to our daily lives. Responsibility is the value that will enable individuals and parents to do what programs cannot—because governments don't raise children, people do.

The President's welfare reform plan is designed to reinforce these fundamental values. It rewards work over welfare. It signals that people should not have children until they are ready to support them, and that parents—both parents—who bring children into the world must take responsibility for supporting them. It gives people access to the skills they need, and expects work in return. Most important, it will give people back the dignity that comes from work and independence.

WORK, NOT WELFARE

Under the President's reform plan, welfare will be about a paycheck, not a welfare check. To reinforce and reward work, our approach is based on a simple compact. Each recipient will be required to develop a personal employability plan designed to move her into the workforce as quickly as possible. Support, job training, and child care will be provided to help people move from dependence to independence. But time limits will ensure that anyone who can work, must work—in the private sector if possible, in a temporary subsidized job if necessary. Reform will make welfare a transitional system leading to work.

The combination of work opportunities, the Earned Income Tax Credit, health care reform, child care, and improved child support will make the lives of millions of women and children demonstrably better.

Created by the Family Support Act of 1988 and championed by Senator Moynihan and then-Governor Clinton, the JOBS program offers education, training, and job placement services—but to few families. Our proposal would expand and improve the current program to put a clear focus on work.

New provisions include:

- **A personal employability plan.** From the very first day, the new system will focus on making young parents self-sufficient. Working with a caseworker, each adult recipient will sign a personal responsibility agreement and develop an employability plan identifying the education, training, and job placement services needed to move into the workforce. Because 70 percent of welfare recipients already leave the rolls within 24 months, and many applicants are job-ready, most plans will aim for employment well within two years.
- **A two-year time limit.** Ultimately, time limits will restrict most AFDC recipients to a lifetime maximum of 24 months of cash assistance.
- **Job search first.** Participants who are job-ready will immediately be oriented to the workplace. Anyone offered a job will be required to take it.
- **Integration with mainstream education and training programs.** JOBS will be linked with job training programs offered under the Jobs Training Partnership Act, the new School-to-Work initiative, Pell Grants, and other mainstream programs.
- **Tough sanctions.** Parents who refuse to stay in school, look for work, or attend job training programs will be sanctioned, generally by losing their share of the AFDC grant.
- **Limited exemptions and deferrals.** Our plan will reduce existing exemptions and ensure that from day one, even those who can't work must meet certain expectations. Mothers with disabilities and those caring for disabled children will initially be deferred from the two-year time limit, but will be required to develop employability plans that lead to work. Another exemption allowed under current JOBS rules will be significantly narrowed: mothers of infants will receive only short-term deferrals (12 months for the first child, three months for the second). At State discretion, a limited number of young mothers completing education programs may receive extensions.
- **Let States reward work.** Currently, AFDC recipients who work often lose benefits dollar-for-dollar, and are penalized for saving money. Our proposal allows States to reinforce work by setting higher earned income and child support disregards. We also propose new rules and demonstration projects to support saving and self-employment.
- **State flexibility.** This plan gives States unprecedented flexibility to innovate and learn from new approaches. Much of what once required waivers will become available to States as State options.
- **Additional Federal funding.** To ease State fiscal constraints and ensure that JOBS really works, our proposal raises the Federal match rate and provides additional funding. The Federal JOBS match will increase further in States with high unemployment.

The WORK program will enable those without jobs after two years to support their families through subsidized employment. The WORK program emphasizes:

- **Work, not "workfare."** Unlike traditional "workfare," recipients will only be paid for hours worked. Most jobs would pay the minimum wage for between 15 and 35 hours of work per week.
- **Flexible, community-based initiatives.** State governments can design programs appropriate to the local labor market: temporarily placing recipients in subsidized private sector jobs, in public sector positions, or with community organizations.
- **A Transitional Program.** To move people into unsubsidized private sector jobs as quickly as possible, participants will be required to go through extensive job search before entering the WORK program, and after each WORK assignment. No WORK assignment will last more than 12 months. Participants in subsidized jobs will not receive the EITC. Anyone who turns down a job will be removed from the rolls, as will people who repeatedly refuse to make good faith efforts to obtain available jobs.

To reinforce this central message about the value of work, bold new incentives will make work pay and encourage AFDC recipients to leave welfare.

- **The Earned Income Tax Credit (EITC).** The expanded EITC will lift millions of workers out of poverty. Already enacted by Congress, the EITC will effectively make any minimum wage job pay \$6.00 an hour for a typical family with two children. States will be able to work with the Treasury Department to issue the EITC on a monthly basis.
- **Health care reform.** We can't have serious welfare reform without serious health care reform. People should be able to get health care by going to work, and not have to go on welfare. Universal health care will allow people to leave welfare without worrying about coverage for their families.
- **Child care.** To further encourage young mothers to work, our plan will guarantee child care during education, training, and work programs, and for one year after participants leave welfare for employment. Increased funding for other Federal child care programs will bolster more working families just above the poverty line and help them stay off welfare in the first place. Our plan also improves child care quality and ensures parental choice.

MUTUAL RESPONSIBILITY

Our current welfare system often seems at odds with core American values, especially responsibility. Overlapping and uncoordinated programs seem almost to invite waste and abuse. Non-custodial parents frequently provide little or no economic or social support to their children. And the culture of welfare offices often seems to reinforce dependence rather than independence. The President's welfare plan reinforces American values, while recognizing the government's role in helping those who are willing to help themselves.

Our proposal includes several provisions aimed at creating a new culture of mutual responsibility. We will provide recipients with services and work opportunities, but implement tough, new

requirements in return. These include provisions to promote parental responsibility, ensuring that both parents contribute to their children's well-being. The plan also includes incentives directly tied to the performance of the welfare office; extensive efforts to detect and prevent welfare fraud; sanctions to prevent gaming of the welfare system; and a broad array of incentives that the States can use to encourage responsible behavior.

The Administration's plan recognizes that both parents must support their children, and establishes the toughest child support enforcement program ever proposed. In 1990, absent fathers paid only \$14 billion in child support. But if child support orders reflecting current ability to pay were established and enforced, single mothers and their children would have received *\$48 billion*; money for school, clothing, food, utilities, and child care. As part of a plan to reduce *and* prevent welfare dependency, our plan provides for:

- **Universal paternity establishment.** Hospitals will be required to put procedures in place to establish paternity at birth, and each applicant will be required to name and help find her child's father before receiving benefits.
- **Regular awards updating.** Child support payments will increase as fathers' incomes rise.
- **New penalties for those who refuse to pay.** Wage-withholding and suspension of professional, occupational, and drivers' licenses will enforce compliance.
- **A national child support clearinghouse.** Three registries—containing child support awards, new hires, and locating information—will catch parents who try to evade their responsibilities by fleeing across State lines. Centralized State registries will track support payments automatically.
- **State initiatives and demonstration programs.** States will be able to make young parents who fail to meet their obligations work off the child support they owe. Demonstration grants for parenting and access programs—providing mediation, counseling, education, and visitation enforcement—will foster non-custodial parents' ongoing involvement in their children's lives. And child support assurance demonstrations will let interested States give families a measure of economic security even if child support is not collected immediately.
- **State options to encourage responsibility.** States can choose to lift the special eligibility requirements for two-parent families in order to encourage parents to stay together. States will also be allowed to limit additional benefits for children conceived by women on welfare.

To eliminate fraud and ensure that every dollar is used productively, welfare reform will coordinate programs, automate files, and monitor recipients. New fraud control measures include:

- **State tracking systems to help reduce fraud.** States will be required to verify the identity, alien status, and Social Security numbers of new applicants and assign national identification numbers.
- **A national public assistance clearinghouse.** Using identification numbers, the clearinghouse will follow people whenever and wherever they use welfare, monitoring compliance with time limits and work. A national "new hire" registry will be used to check AFDC and EITC

eligibility, and identify non-custodial parents who switch jobs or cross State lines to avoid paying child support.

- **Tough sanctions.** Anyone who refuses to follow the rules will face tough new sanctions, and anyone who turns down a job offer will be dropped from the rolls. Cheating the system will be promptly detected and swiftly punished.

The Administration's plan demands greater responsibility of the welfare office itself. Unfortunately, the current system too often focuses on simply sending out welfare checks. Instead, the welfare office must become a place that is fundamentally about helping people earn paychecks as quickly as possible. Our plan offers several provisions to help agencies reduce paperwork and focus on results:

- **Program coordination and simplification.** Conforming AFDC and Food Stamp regulations and simplifying both programs' administrative requirements will reduce paperwork.
- **Electronic Benefits Transfer (EBT).** Under a separate plan developed by Vice President Gore, States will be encouraged to move away from welfare checks and food stamp coupons toward Electronic Benefits Transfer, which provides benefits through a tamper-proof ATM card. EBT systems will reduce welfare and food stamp fraud, and lead to substantial savings in administrative costs.
- **Improved incentives.** Funding incentives and penalties will be directly linked to the performance of States and caseworkers in service provision, job placement, and child support collection.

REACHING THE NEXT GENERATION

Preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform. Each year, 200,000 teenagers aged 17 and younger have children. Their children are more likely to have serious health problems--and they are much more likely to be poor. Almost 80 percent of the children born to unmarried teenage parents who dropped out of high school now live in poverty. By contrast, only eight percent of the children born to married high school graduates aged 20 or older are poor. Welfare reform will send a clear and unambiguous message to adolescents: you should not become a parent until you are able to provide for and nurture your child. Every young person will know that welfare has changed forever.

To prevent welfare dependency in the first place, teenagers must get the message that staying in school, postponing pregnancy, and preparing to work are the right things to do. Our prevention approach includes:

- **A national campaign against teen pregnancy.** Emphasizing the importance of delayed sexual activity and responsible parenting, the campaign will bring together local schools, communities, families, and churches, to send a strong signal that it is wrong for teenagers to have children outside marriage.
- **A national clearinghouse on teen pregnancy prevention.** The clearinghouse will provide communities and schools with curricula, models, materials, training, and technical assistance relating to teen pregnancy prevention programs.

- **Teen pregnancy prevention grants.** Roughly 1000 middle and high schools in disadvantaged areas will receive grants to develop innovative, ongoing teen pregnancy prevention programs targeted to young men and women. Broader initiatives will seek to change the circumstances in which young people live and the ways that they see themselves, addressing health, education, safety, and economic opportunity.
- **Initial resources targeted to women born after December 31, 1971.** Phasing in the new system will direct limited resources to young, single mothers with the most at risk; send a strong message to teenagers that welfare as we know it has ended; most effectively change the culture of the welfare office to focus on work; and allow States to develop effective service capacity.
- **Supports and sanctions.** From the very first day, teen parents receiving benefits will be required to stay in school and move toward work. Unmarried minor mothers will be required to identify their child's father and live at home or with a responsible adult, while teen fathers will be held responsible for child support and may be required to work off what they owe. At the same time, caseworkers will offer encouragement and support; assist with living situations; and help teens access services such as parenting classes and child care. The two-year limit will begin once teens reach age 18. Selected older welfare mothers will serve as mentors to at-risk school-age parents. States will also be allowed to use monetary incentives to keep teen parents in school.

THE IMPACT OF REFORMS

Making all these changes overnight would severely strain the ability of Federal and State governments to implement the new system. To avoid this problem the plan is phased in by starting with young people, to send a clear message to teenagers that we are ending welfare as we know it. The following tables are based on starting with the youngest third of the projected caseload--persons born after 1971, who will be age 24 and under in fiscal year 1996 when the new system is implemented.

Anyone born after 1971 who is on welfare today, and anyone born after 1971 who enters it subsequently, will face new expectations and responsibilities. In 1997 this group will constitute over one third of the caseload. By the year 2004, this group will represent about two-thirds of the projected caseload, as older cohorts leave and new persons born after 1971 enter. States wanting to move faster will have the option of doing so.

In the year 2000, 2.4 million adults will be subject to the new rules under welfare reform, including time limits and work requirements. Almost one million people will either be off welfare or working. Of those one million individuals, 331,000 people who would have been on welfare will have left the welfare rolls. Another 222,000 parents will be working part-time in unsubsidized jobs. And 394,000 people will be in subsidized jobs in the WORK program, up from 15,000 now. In addition, 873,000 recipients will be in time-limited school or training programs leading to employment.

However, the impact of welfare reform cannot be measured in these numbers alone or fit on any chart. In the year 2000, hundreds of thousands of noncustodial parents will be helping to support their families and becoming connected to their children again. Hundreds of schools will be helping teenagers postpone sexual involvement, finish their education and prepare for a better future. And, thousands more children will watch their parents go off every day to the responsibility and dignity of a real job.

TABLE 1

PROJECTED WELFARE, WORK, AND TRAINING STATUS OF PHASED-IN GROUP WITH REFORMS BY SELECTED YEARS			
	FY 1997	FY 2000	FY 2004
Total Projected Adult Cases With Parent Born After 1971, Without Reform	1,641,000	2,376,000	3,439,000
Status of Phased-In Group, with Reform:			
Off Welfare Because of Reform	45,000	331,000	860,000
Working Part-time	166,000	222,000	271,000
In WORK Program	0	394,000	566,000
Total - Working or Off Welfare	211,000	947,000	1,697,000
Expected to Participate in Time-Limited, Mandatory Training, Education and Placement Program with Strict Participation Standards	904,000	873,000	965,000
Deferred or Exempted due to Disability, Caring for a Disabled Child or Infant, or Other Exemption	526,000	556,000	777,000

Table 1 indicates the number of persons in various parts of the program by year, given the phase-in and the implementation of health reform after fiscal year 1999. Note that because a few States will need up to two years to pass legislation and implement their systems, the program would not be fully implemented until late 1996. Thus, fiscal year 1997 is the first full year of implementation. The time-limited education, training and placement program starts up rapidly since everyone in the phased-in group is required to participate if they are not deferred (for example, if they are disabled). It does not grow much over time because people leave the program as they get private sector jobs or reach the time limit and enter the WORK program. The WORK program grows over time, rising to roughly 566,000 by fiscal year 2004. Exemptions are significantly more narrow than those allowed under current law, and even those unable to work will be required to develop employability plans.

TABLE 2

PROJECTED WELFARE, WORK AND TRAINING STATUS OF PHASED-IN GROUP WITH AND WITHOUT REFORMS IN FISCAL YEAR 2000		
	Without Reforms	With Reforms
Working or Off of Welfare		
Off of Welfare	0%	14%
Part-time Work	5%	9%
In WORK program	0%	17%
Total	5%	40%
Required to Participate in Time-limited, Mandatory Training, Education and Placement Program with Strict Participa- tion Standards	0%	37%
Expected to Participate in Training, Education, and Placement Program, but No Time Limits and Low Participation , Standards	22%	0%
Deferred or Exempted Due to Illness, Caring for Disabled Child, Young Child, or other Exerptions	73%	23%
TOTAL	100%	100%

Table 2 shows the impact of these changes for the phased-in caseload, compared with what we project would be the caseload without welfare and health reform.

Under the plan, we will go from a situation where almost three-quarters of the persons are collecting welfare and neither working nor in training--to a situation where three-quarters are either off welfare, working, or in a mandatory time-limited placement and training program. Only those unable to work are deferred from the time limits, and even these persons will have greater expectations and opportunities under the proposed system. In addition, we expect the reform proposal to significantly increase paternity establishment rates, to increase child support payments and to lower child poverty.

Moving people from welfare to work will not only reinforce our basic values of work and responsibility, it will also help families provide better support for their children. As a result of the Clinton reforms, compare the situation facing a single-parent family of three on welfare with the situation of a family off of AFDC.

In the median State, the combined AFDC and food stamp benefit level is \$7,525, only 63 percent of the \$11,870 of income needed to keep a typical family of three out of poverty. By contrast, Table 3 shows that persons leaving AFDC and going to work will be dramatically better off in any private sector job, even one paying the minimum wage.

TABLE 3

INCOME FOR INDIVIDUALS WORKING FULL TIME AT VARIOUS WAGE LEVELS						
Hourly wage	Earnings (Full-time, year-round)	Taxes	EITC *	Food Stamps	Total Income	Percent of Poverty
\$4.25	\$8,840	\$676	\$3,370	\$2,256	\$13,790	116%
\$6.00	\$12,480	\$955	\$3,058	\$1,380	\$15,964	134%
\$8.00	\$16,640	\$1,826	\$2,182	\$0	\$16,996	143%

* EITC assumes that expansion passed in 1993 is fully phased-in.

Thus, the President's plan, including the expanded EITC, and health and welfare reform, rewards people who are working to support themselves and their families.

A description of the plan follows.

TRANSITIONAL ASSISTANCE FOLLOWED BY WORK

Perhaps the most critical and difficult goal of welfare reform is to reshape the very mission of the current support system from one focused on writing checks to one focused on work, opportunity, and responsibility. The Family Support Act of 1988 recognized, through creation of the Job Opportunities and Basic Skills (JOBS) training program, the need for investment in education, training, and employment services for welfare recipients. Most importantly, it introduced the expectation that welfare reciprocity is a transitional period of preparation for self-sufficiency. Able-bodied recipients were mandated to participate in the JOBS program as a means towards self-sufficiency.

However, the welfare system has not changed as much as was intended. Only a small portion of the AFDC caseload is actually required to participate in the JOBS program, while a majority of AFDC recipients are not required to participate and do not volunteer. An even smaller fraction of recipients are working. This sends a mixed message to both recipients and caseworkers regarding the true terms and validity of the social compact that the Family Support Act represented. As a result, most long-term recipients are not on a track to obtain employment that will enable them to leave AFDC.

SUMMARY OF PROPOSAL

This reform proposal calls for fundamentally replacing the AFDC program with a transitional assistance program to be followed by work. The new program includes four key elements: a simple compact; training, education, and placement assistance to move people from welfare to work; a two-year time limit; and work requirements. Phasing in the plan starting first with the youngest recipients will send a strong message of responsibility and opportunity to the next generation.

A Simple Compact

Training, Education, Job Search, and Job Placement – The JOBS Program

- A clear focus on work
- Integrating JOBS and mainstream education and training initiatives

Two-Year Time Limit

WORK

- Administrative structure of the WORK program
- Characteristics of the WORK assignments

A Simple Compact. Everyone who receives cash support will be expected to do something to help themselves and their community. Recipients will sign a personal responsibility agreement indicating what is expected of them and of the government to prepare them for self-sustaining employment. Persons who are not yet in a position to work or train (because of disability or the need to care for an infant or disabled child) will be deferred until they are ready for the time-limited JOBS program. Everyone will have a responsibility to contribute something and move toward work and independence.

Training, Education, and Placement Linked to Work (the Job Opportunities and Basic Skills, or JOBS program). The core of the transitional support program will be an expanded and improved JOBS program that focuses on moving people into work. JOBS was established by the Family Support Act of 1988 to provide training, education, and job placement services to AFDC recipients. Every aspect of the new JOBS program will be designed to help recipients find and keep jobs. The enhanced program will include a personal responsibility agreement (described above) and an employability plan designed to move persons from welfare to work as rapidly as possible. For most applicants, supervised job search will be required from the date the application for AFDC is approved. JOBS participants will be required to accept a job if offered. The new effort, rather than creating an employment training system for welfare recipients alone, will seek close coordination with Job Training Partnership Act (JTPA) programs and other mainstream training programs and educational resources.

A Two-Year Time Limit. Young recipients will be limited to a lifetime maximum of two years of cash assistance, after which they will be expected to work. While two years will be the maximum period for the receipt of cash aid, the goal will be to help persons find jobs long before the end of the two-year period. Mothers with infants, persons with disabilities which limit work, and those caring for a disabled child will be deferred and will not be subject to the time limit while such conditions exist. In a very limited number of cases, and at the discretion of States, extensions of the time limit will be granted for completion of an education or training program or in unusual circumstances.

Work (the WORK program). The new effort will be designed to help as many people as possible find employment before reaching the two-year time limit. Those persons who are not able to find employment within two years will be required to take a job in the WORK program. WORK program jobs will be paid employment, rather than "workfare," and will include subsidized private sector jobs, as well as positions with local not-for-profit organizations and in the public sector. The positions are intended to be short-term, last-resort jobs, designed neither to displace existing workers, nor to serve as substitutes for unsubsidized employment. Provisions will be put in place to discourage lengthy stays in the WORK program. Among these will be limits on the duration of any one WORK assignment, frequent periods of job search, denying the EITC to persons in WORK assignments, and a comprehensive reassessment after a second WORK assignment. People will be required to make a good-faith effort to find unsubsidized work, and anyone who turns down a job offer will be removed from the rolls. The primary emphasis of the WORK program will be on securing unsubsidized employment. States will be given considerable flexibility in the operation of the WORK program in order to achieve this goal.

PHASE-IN

It is very unlikely that States could proceed to full-scale implementation of the changes described above immediately after passage of the legislation. Even if resources were plentiful, attempting to instantly place the entire caseload in the new transitional assistance program would almost guarantee enormous administrative difficulties at the State level. Facing the need to serve hundreds of thousands more persons in the JOBS program and to create hundreds of thousands of WORK assignments, many States would be unable to succeed at either.

An attractive alternative to the chaos of immediate full-scale implementation is to begin by focusing on younger parents. The younger generation of actual and potential welfare recipients represents the source of greatest concern. Younger recipients are likely to have the longest stays on welfare. They are also the group for which there is the greatest hope of making a profound difference. Under this phase-in approach, we will devote energy and new resources to ending welfare for the next generation, rather than spreading efforts so thin that little real help is provided to anyone.

The phase-in of the new requirements will begin with all recipients (including new applicants) born after December 31, 1971. All persons of the same age and circumstances will then face the same rules, regardless of when they entered the system. This is roughly one third of the caseload in 1996. Over time, as the percentage of the caseload born after 1971 rises, the new transitional assistance program will encompass a greater and greater proportion of welfare recipients. States will also have the option to phase in more rapidly. By 2000, half of all adult recipients will be included. By 2004, two-thirds of the adult caseload will be included.

Targeting younger parents does not imply limiting access to education and training services for older recipients. They will still be eligible for JOBS services. The *new* resources, however, will be focused on younger recipients.

A SIMPLE COMPACT

The goal of these proposals is to make the welfare system a much different world. The intake process will be changed to clearly communicate to recipients the expectation of achieving self-sufficiency through work. Just as important, the welfare agency will also face a different set of expectations. In addition to determining eligibility, its role will be to help recipients achieve self-sufficiency. The underlying philosophy is one of mutual responsibility. The welfare agency will help recipients achieve self-sufficiency and will provide transitional cash assistance; in return, recipients will take responsibility for their lives and the economic well-being of their children.

Personal Responsibility Agreement. Each adult applicant for assistance will be required to enter into a written agreement in which he or she agrees to take responsibility for moving quickly toward independence in return for that assistance.

Orientation. Each applicant will receive orientation services to explain how the new system will work. A full understanding of how a time-limited assistance program operates will ensure that participants maximize their opportunities to obtain services.

Employability Plan. Within a short time frame, each adult will undergo a thorough needs assessment. Based on this assessment, and in conjunction with his or her caseworker, each person will design an individualized employability plan which specifies the services to be provided by the State and the time frame for achieving self-sufficiency.

Deferrals. Under the current system, only a small portion of the AFDC caseload is required to do anything, and the rest are exempt. Our plan will reduce the number of exemptions, and ensure that even those who are not able to participate in education, training or work still have to meet certain expectations. People with a disability or caring for a disabled child, mothers with infants under one (3 months for the second child), and people living in remote areas will be deferred. States will be allowed to defer a capped number of people for other good-cause reasons. However, all recipients will be required to take steps, even if they are small ones, toward self-sufficiency. Participants who are deferred will be expected to complete employability plans and, when possible, to undertake activities intended to prepare them for employment and/or the JOBS program.

Increased Participation. With increased Federal resources available, it is reasonable to require increased participation in the JOBS program. Current law requires that States enroll 20 percent of the non-exempt AFDC caseload in the JOBS program during fiscal year 1995. Under reform, States will be expected to meet much higher participation rates for persons who are enrolled in the new program. Through the phase-in strategy described above, a higher and higher percentage of the caseload will be subject to these rules and requirements, and the transitional assistance program will move toward a full-participation model.

TRAINING, EDUCATION, JOB SEARCH, AND JOB PLACEMENT - THE JOBS PROGRAM

The JOBS program originated with the Family Support Act. It represented a new vision for welfare, but today it unfortunately remains mostly an afterthought to a system principally focused on eligibility determination and check writing. We propose to make the JOBS program the centerpiece of the public assistance system. Doing so will require a series of key improvements.

There have been many impediments to the success of the JOBS program, such as a lengthy recession, the surge in AFDC caseloads and State budget shortfalls that hampered States' ability to draw down available JOBS and other Federal matching funds. For these reasons, States have been unable to effectively implement the changes envisioned in the Family Support Act.

In order to fully transform the welfare system into a structure which helps families attain self-sufficiency, the entire culture of the welfare system must be changed. This must start by making the welfare system one which focuses on helping participants achieve self-sufficiency through the provision of education, training, and employment services rather than one which concentrates solely on determining eligibility and writing checks. To accomplish this, a major restructuring effort which implements real changes for all participants is needed. Strong Federal leadership in steering the welfare system in this new direction will be critical.

To this end, we propose:

- (1) A clear focus on work. From the moment they enter the system, applicants are focused on moving from welfare to work through participation in programs and services designed to enhance employability; and
- (2) Much greater integration with mainstream education and training programs.

A Clear Focus on Work

Under the provisions of the new transitional assistance program, JOBS participation will be greatly expanded, and increased participation rates will be phased in. We recognize that welfare recipients are a very diverse population. Participants in the JOBS program have very different levels of work experience, education, and skills. Accordingly, their needs will be met through a variety of activities: job search, classroom learning, on-the-job training, and work experience. States and localities will, therefore, have great flexibility in designing the exact mix of JOBS program services. Employability plans will be adjusted in response to changes in a family's situation. Finally, the Federal government will make much-needed additional resources available to the States to accomplish the objectives.

Up-Front Job Search. All new adult recipients in the phased-in group (and minor parents who have completed high school) who are judged job-ready will be required to perform job search, as soon as the application is approved (or from the date of application at State option). States will have the option to require all job-ready new recipients (including those in the not-phased-in group) to engage in up-front job search.

The job search activities will lead to immediate employment for some recipients. Those who subsequently enter the JOBS program will have a realistic view of the job market. This will aid in completing the needs assessment and in developing the employability plan, and may also help participants focus their energies.

Teen Parents. In order to meet the special needs of teen parents, any custodial parent under age 20 will be provided case management services. Teen parents will be required to finish high school and participate in the JOBS program. (For further provisions regarding teen parents, see the section on Promoting Parental Responsibility).

Semiannual Assessment. In addition to the expectation that client progress will be monitored on a regular basis, States will be required to conduct an assessment of all adult recipients and minor parents, including both those who are deferred and those in JOBS, on at least a semiannual basis to evaluate progress toward achieving the goals in the employability plan. Both the individual's and the State's efforts will be examined, and corrective action will be taken as needed.

Sanctions. In order for the system to work, participants must see that the requirements are real. There must be a direct connection between a participant's behavior and the rewards and sanctions as a consequence. The sanction for refusing a job offer without good cause will be strengthened. The current penalty reduces the recipient's welfare check by the adult's share of the grant; in the new system, the family's entire AFDC benefit will be terminated for 6 months or until the adult accepts a job offer, whichever is shorter. Sanctions for failure to follow the employability plan otherwise will be the same as under current law.

Increased Funding and Enhanced Federal Match. It is important to ensure that all welfare recipients who are required to participate in the JOBS program have access to the appropriate services. The increase in Federal resources available to the States, as well as simplified and enhanced match rates, will enable States to undertake the necessary expansion in the JOBS program.

Similar to current law, the capped entitlement for JOBS will be allocated according to the average monthly number of adult recipients (which will include WORK participants) in the State relative to the number in all States. The capped entitlement for JOBS (as well as for WORK) would be increased if the national unemployment rate equalled or exceeded 7 percent.

Fiscal constraints have proven particularly troublesome in effecting welfare system changes. States are required to share the cost of the JOBS program with the Federal Government. Many States have, however, been experiencing budgetary difficulties which were not anticipated at the time the Family Support Act was enacted. Consequently, most States have been unable to draw down their full allocation of Federal JOBS funds because they have not been able to provide the required State match. In 1992, States drew down only two-thirds of the \$1 billion in available Federal funds, and only 10 States drew down their full allocation. These fiscal problems have limited the number of individuals served under JOBS and, in many cases, limited the services States offer their JOBS participants.

To address the scarcity of JOBS dollars, the Federal cap will be increased from \$1 billion to \$1.5 billion in fiscal year 1996. To assist States in drawing down their full allotment, the Federal match rate will be increased by five percentage points in 1996, rising to a level ten percentage points over the current JOBS match rate by the year 2000, with a minimum Federal match of 70 percent. Spending for direct program costs, for administrative costs and for the costs of transportation and work-related supportive services would all be matched at the single rate. In addition, a small fund will be created to reward States which have used their full allotment and are moving aggressively to implement these reforms. During periods of high State unemployment, the State match rate for JOBS, WORK and At-Risk Child Care would be reduced by ten percent. States will be required to maintain their 1994 level of spending for the investment programs (JOBS and child care).

Federal Leadership. The Federal role in the JOBS program will be providing training and technical assistance to help States make the program changes called for in this plan. The Federal Government will encourage evaluations of State JOBS programs, help promote state-of-the-art practices, and assist States in redesigning their intake processes to emphasize employment rather than eligibility. These activities will be funded by setting aside a portion of Federal JOBS funds specifically for this purpose—two percent in fiscal years 1996-1998, and one percent thereafter.

Integrating JOBS and Mainstream Education and Training Initiatives

The Federal government currently operates a myriad of education, training, and employment services programs. Many of these programs serve the AFDC population. JOBS programs must continue to link clients to the available services in the community. Coordination, integration, and implementation of common strategies among the major programs which serve the AFDC population will help States accomplish the mission of the JOBS program by expanding access to other available services. This proposal prescribes greater coordination, but it grants broad flexibility to States to achieve this objective. To this end, the proposal implements several mechanisms that promote ongoing coordination and integration and which lessen the administrative burdens States face. This will allow for program simplification, innovation, and ongoing program improvement.

The role of the JOBS program should not be to create a separate education and training system for welfare recipients, but rather to ensure that recipients have access to and information about the broad array of training and education programs that already exist. Under the Family Support Act, the governor of each State is required to ensure that program activities under JOBS are coordinated with JTPA and other relevant employment, training, and educational programs available in the State. Appropriate components of the State's plan which relate to job training and work preparation must be consistent with the Governor's coordination plan. The State plan must be reviewed by a coordinating council. While these measures have served to move the welfare system in the direction of program coordination and integration, further steps can and should be taken. Federal and State efforts for promoting integration and coordination, and general program improvement, will be an ongoing process in the new system.

Program Coordination. This proposal includes provisions which will greatly enhance integration and coordination among the JOBS program and related programs of the Departments of Labor and Education, such as Job Training Partnership Act programs and programs falling under the Adult Education Act and the Carl D. Perkins Vocational Educational Act. For example, the State council on vocational education and the State advisory council on adult education will review the State JOBS plan and submit comments to the Governor to ensure consistency among programs that serve AFDC recipients.

Expanded State Flexibility. In order to enable States to take the steps necessary to achieve full integration among education, training, and employment service programs, Governors will have the option to operate the JOBS and WORK programs through an agency other than the agency currently designated to administer welfare programs. For example, a Governor may choose to operate a combined JOBS/JTPA program. This option will expand State flexibility and will promote innovation and program improvement.

Expanding Opportunities. Among the many Administration initiatives which will be coordinated with the JOBS program are:

- National Service. HHS will work with the Corporation for National and Community Service to ensure that JOBS participants are able to take full advantage of national service as a road to independence.
- School-to-Work. HHS will work with the Departments of Education and Labor to make participation requirements for the School-to-Work and JOBS programs compatible, in order to give JOBS participants the opportunity to access this new initiative.
- One-Stop Shopping. States which implement one-stop shopping under the Reemployment Act of 1994 will be required to include the JOBS program.
- Pell Grants. The program will ensure that JOBS participants make full use of such existing programs as Pell grants, income-contingent student loans and Job Corps.

TWO-YEAR TIME LIMIT

Most people who enter the welfare system do not stay on AFDC continuously for many years. It is much more common for recipients to move in and out of the welfare system, staying for a relatively brief period each time. Two out of every three persons who enter the welfare system leave within two years, and fewer than one in five spends five consecutive years on AFDC. Half of all those who leave welfare, however, return within two years, and three of every four return at some point in the future. Most recipients use the AFDC program not as a permanent alternative to work, but as temporary assistance during times of economic difficulty.

While persons who remain on AFDC for long periods at a time represent only a modest percentage of all people who ever enter the system, they represent a high proportion of those on welfare at any given time. Although many face very serious barriers to employment, including physical disabilities, others are able to work but are not making progress toward self-sufficiency. Most long-term recipients are not on a track toward obtaining employment that will enable them to leave AFDC.

Placing a time limit on cash assistance is part of the overall effort to shift the focus of the welfare system from providing cash assistance to promoting work and self-sufficiency. The time limit will give both recipients and JOBS staff a structure that requires continuous movement toward fulfilling the objectives of the employability plan and, ultimately, finding a job.

Two-Year Limit on Cash Benefits. The proposal establishes for adult recipients a lifetime limit of 24 months of AFDC benefits, followed by a work requirement. Special provisions will be made for teen parents (as discussed below).

Time limits will, in general, be linked to JOBS participation. Recipients required to participate in JOBS will be subject to the time limit. Months in which an individual receives assistance while in deferred status (rather than participating in JOBS) will not count against the 24-month time limit.

In a two-parent family receiving aid through AFDC-UP, both parents will be subject to the time limit if the principal earner is in the phased-in group (see below). If one parent reaches the time limit when the other has not, the parent who reaches the time limit will be required to enter the WORK program. The family will continue to be eligible for benefits as long as at least one of the two parents has not reached the time limit for transitional assistance.

Most people will be expected to enter employment well before the two years are up. Recipients unable to find employment by the end of two years of cash benefits could receive further government support only through participation in the WORK program, as described below.

Minimum Work Standard. Months in which an individual meets the minimum work standard will not be counted against the time limit. The minimum work standard will be set at an average of 20 hours per week, with a State option to require up to 30 hours per week. Individuals working part-time would be required to accept additional hours if available.

Teen Parents. As mentioned elsewhere, virtually all parents under age 20 will be required to participate in JOBS. The 24-month time clock, however, will not begin to run until the parent turns age 18. In other words, any period of receiving benefits as a custodial parent prior to the age of 18 will not be counted against the two-year time limit.

Pre-WORK Job Search. Persons who are within 45 days of reaching the time limit (up to 90 days at State option) will be required to engage in supervised job search for those final 45-90 days, before taking a WORK assignment.

Extensions. States will be permitted to grant a limited number of extensions to the time limit in the following circumstances:

- For completion of a GED or other education or training program, including a school-to-work program or post-secondary education program, expected to lead directly to employment. These extensions will be contingent on satisfactory progress toward completing the program and will be limited to 12-24 months in duration. An extension for post-secondary education will be contingent upon simultaneous part-time employment.
- For those who are learning disabled, illiterate or face language barriers or other serious obstacles to employment.

States will, in addition, be required to grant extensions to persons who have reached the time limit but who have not had access to the services specified in the employability plan. The total number of extensions will be limited to 10 percent of recipients required to participate in JOBS. In other words, a State could have no more than 10 percent of its JOBS-mandatory recipients in extended status at any given time.

Limited Additional Assistance to Persons Who Stay off Welfare for Extended Periods. The two-year limit is a lifetime limit. Persons who exhaust or nearly exhaust their 24 months of time-limited assistance and who leave welfare for an extended period of time will be able to qualify for up to six additional months of assistance. This limited additional assistance will serve as a cushion, should they lose their job and need temporary help again. After that, they will be required to enter the WORK program.

WORK

The focus of the transitional assistance program will be helping people move from welfare to self-sufficiency through work. An integral part of this effort is making assistance truly transitional for those able to work by placing a two-year time limit on cash benefits. Some welfare recipients will, however, reach the two-year time limit without having found a job, despite having participated in the JOBS program and followed their employability plans in good faith. We are committed to providing these persons with the opportunity to support their families through paid work.

Each State will be required to operate a WORK program which will make paid work assignments available to recipients who have reached the time limit for cash assistance.

The overriding goal of the WORK program will be to help participants find lasting unsubsidized employment. States will have wide discretion in the operation of the WORK program in order to achieve this end. For example, a State could provide short-term subsidized private sector jobs (with the expectation that many of these positions will become permanent), or positions in not-for-profit organizations and/or public sector agencies.

The WORK program is designed to provide an opportunity for individuals who have reached the time limit to support their families through paid work while developing the skills and receiving the job search assistance needed to obtain unsubsidized private sector jobs. The structure ensures that work "pays" by assuring that a family with an adult in a WORK assignment will be no worse off than a family of the same size in which no one is working.

"Workfare" programs are generally not consistent with placements in the private sector. By contrast, the WORK program requires a strong private-sector focus. This is work—not workfare. Persons will be paid for performance—not paid a welfare check and sent out to a work site. This work-for-wages plan provides far greater dignity and responsibility than workfare. Moreover, the purpose of the WORK program is to help persons move into, rather than serve as a substitute for, unsubsidized employment.

Administrative Structure of the WORK Program

Eligibility. A recipient who has reached the time limit for transitional assistance will be permitted to enroll in the WORK program, provided he or she has not refused an offer of an unsubsidized job without good cause (see below).

WORK Funding. Federal funds for the cost of operating the WORK program will be capped and distributed to States according to the number of persons required to participate in JOBS (and subject to the time limit) and the number in the WORK program in a State, relative to the total number in all States. These Federal monies must be matched by State funds at the same match rate as in the expanded JOBS program—the current JOBS match rate plus seven percentage points in 1998, rising to ten additional percentage points by 2000. As discussed previously under the description of JOBS funding, the capped entitlements for JOBS and WORK would be increased if the national unemployment rate equalled or exceeded 7 percent. Also as discussed under JOBS funding, the State match rate for JOBS, WORK, and At-Risk Child Care would be reduced by ten percent during periods of high State unemployment.

In addition, States will be reimbursed for wages paid to WORK program participants, including wage subsidies to private employers, at the Medicaid matching rate.

If States were unable to claim the total available Federal JOBS and WORK funding for a fiscal year, a State which had reached its cap could draw down Federal funds for operational costs in excess of its allotment from the capped entitlement. Additionally, all States will be allowed to reallocate up to 10 percent of the combined total of their JOBS and WORK allotments from JOBS to WORK, or vice versa.

Flexibility. States will have considerable flexibility in operating the WORK program. A State can pursue any of a wide range of strategies to provide work to those who have reached the two-year limit, including:

- Subsidize private sector jobs;
- Subsidize or create positions in the not-for-profit sector (which could entail payments to cover the cost of training and supervising WORK participants);
- Offer employers other financial incentives to hire JOBS graduates;
- Execute performance-based contracts with private firms or not-for-profit organizations to place WORK participants in unsubsidized jobs;
- Create positions in public sector agencies (which might include employing adult welfare recipients as mentors for teen parents on assistance);
- Employ WORK participants as child care workers, child support workers, or home health aides; and
- Support microenterprise and self-employment efforts.

Participation Rates. Each State will be required to meet a participation standard for the WORK program, defined as the lower number of the following such that: 1) The number of WORK assignments the State is required to create (based on the funding allocation) are actually filled by individuals assigned to the WORK program; or 2) At least eighty percent of those who reach the time limit are assigned to a WORK slot (or in another defined status).

Allocation of WORK Assignments. If the number of people needing WORK positions exceeds the supply, the allocation of WORK assignments is made in the following order. An individual whose sanction period had just ended will be placed in a new WORK assignment as rapidly as possible. Persons new to the WORK program will have priority over persons who have previously held a WORK position. States will then be permitted to allocate the remaining WORK assignments so as to maximize the chance of successful placements.

Interim Activities. States will have the option of requiring persons awaiting WORK assignments (e.g., those who have just concluded a WORK assignment) to participate in other WORK program activities, such as individual or group job search. Child care and other supportive services will be provided as needed for participation in interim WORK program activities. Persons in the WORK program but not in a WORK assignment will be eligible for cash benefits in the interim.

Required Acceptance of Any Job Offer. Both JOBS and WORK program participants will be required to accept any offer of an unsubsidized job, provided the job meets certain health and safety standards and does not make the family financially worse off. An individual who refuses such an offer will not be eligible for a WORK position, and the entire family will be ineligible for AFDC benefits for a period of six months. Such an individual will be eligible for job search assistance during this period.

Oversight. There will be a WORK advisory panel for each locality to provide oversight and guidance to the WORK program. The advisory panel will include representation from unions and the private, not-for-profit (including community-based organizations), and public (including local government) sectors.

Length of Participation in the WORK Program. Individuals will be limited to a maximum stay of 12 months in any single WORK assignment, after which they will be required to perform job search. States will be required to conduct a comprehensive assessment of any person who has completed two WORK assignments or who has spent at least two years in the WORK program. Following the assessment, persons could be assigned to another WORK position, placed in deferred status, referred back to the JOBS program, or, at State option, be removed from the rolls for refusing a job offer or failing to make a good-faith effort to find unsubsidized work where jobs are available to match their skills.

Retention. States will be required to maintain records on the performance of employers (public, private, and not-for-profit) in retaining WORK program participants (after the subsidies end). Similarly, States will be mandated to monitor the effectiveness of placement firms in placing WORK participants in unsubsidized employment.

Nondisplacement. The assignment of a participant to a subsidized job under the WORK program will not result in the displacement of or infringe upon the promotional opportunities of any currently employed worker. In addition, WORK participants could not be placed in vacancies created by a layoff, strike or lockout.

Supportive Services. States will be required to guarantee child care, if needed, for any person in a WORK assignment. States will also be mandated to provide other work-related supportive services as needed for participation in the WORK program.

Characteristics of the WORK Assignments

Wages. Participants will typically be paid the minimum wage. Persons in WORK assignments who are performing work equivalent to that done by others working for the same employer will be similarly compensated.

Hours. Each WORK assignment will be for a minimum of 15 hours per week and for no more than 35 hours per week. The number of hours for each position will be determined by the State.

Treatment of Wages with Respect to Benefits and Taxes. Wages from WORK positions will be treated as earned income with respect to Federal and Federal-State assistance programs other than AFDC. Participants in the WORK program and their families will be treated as AFDC recipients with respect to Medicaid eligibility.

Persons in WORK assignments will be subject to FICA taxes but will not be subject to the provisions of any Federal or State unemployment compensation law. Workers' Compensation coverage will be provided at levels consistent with the relevant State Workers' Compensation statute. Earnings from WORK positions will not be treated as earned income for purposes of calculating the Earned Income Tax Credit (EITC), in order to encourage movement into jobs outside the WORK program.

Earnings Supplementation. A family with an adult in a WORK position whose income, net of work expenses, is less than the AFDC benefit for a family of the same size (in which no one is working) will be eligible for supplemental cash benefits to make up the difference. In other words, an earnings supplement will be provided such that a family with an individual who is working in either a WORK assignment or an unsubsidized private sector job, will never be worse off than a family of the same size on assistance in which no one is working.

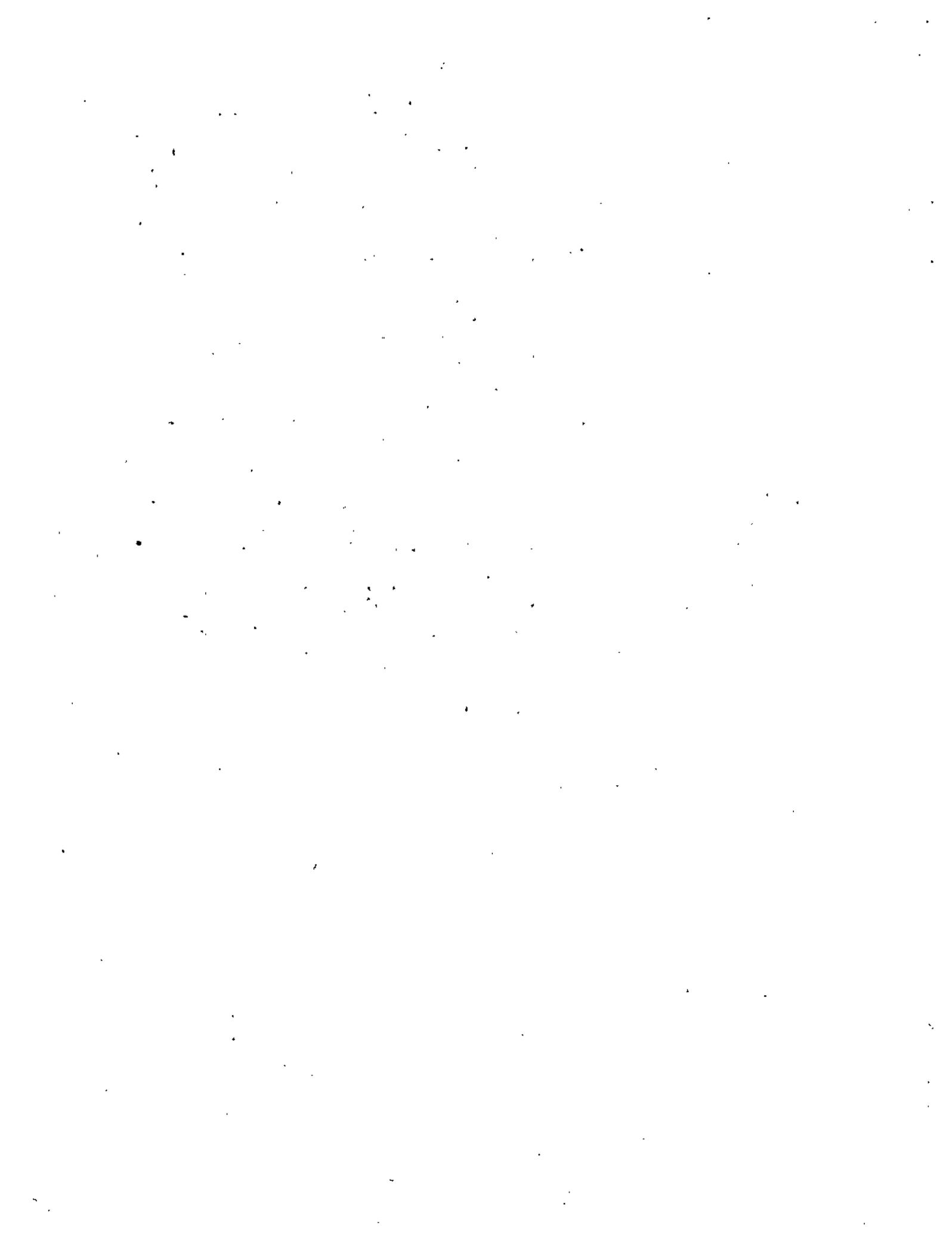
The work expense disregard used for the purpose of calculating the earnings supplement will be \$120 per month (the standard AFDC work expense disregard). States which opt for more generous AFDC earnings disregard policies will be permitted but not required to apply these policies to WORK wages.

Sanctions. Wages will be paid for hours worked, and those who do not show up for work will not get paid. Failure to work the set number of hours for the position will result in a corresponding reduction in wages.

Individuals in the WORK program who, without good cause, voluntarily quit an unsubsidized job that meets the minimum work standard would lose eligibility for the WORK program for a period of three months.

Type of Work. Under the WORK program, States will be encouraged to place as many WORK participants as possible in subsidized private sector positions. Many of the WORK positions may also be in the not-for-profit sector, with, for example, voluntary agencies, Head Start centers, and other community-based organizations.

Work Place Rules. Participants in the WORK program will experience the same working conditions and rights as comparable employees of the same employer.



MAKING WORK PAY/CHILD CARE

THE IMPORTANCE OF THE EITC, HEALTH CARE REFORM, AND CHILD CARE

A crucial component of welfare reform that promotes work and independence is making work pay. The Census Bureau reports that in 1992, 16 percent of all year-round, full-time workers had earnings too low to lift a family of four out of poverty, up from 12 percent in 1974. The problem is especially great for women: 22 percent--more than one in five--of year-round, full-time female workers had low earnings.

Simultaneously, the welfare system sets up a devastating array of barriers for people who receive assistance but want to work. It penalizes those who work by taking away benefits dollar for dollar; it imposes arduous reporting requirements for those with earnings but still on welfare; and it prevents saving for the future with a meager limit on assets. Moreover, working-poor families often lack adequate medical protection and face sizeable child care costs. Too often, parents may choose welfare instead of work to ensure that their children have health insurance and receive child care. If our goals are to encourage work and independence, to help families who are playing by the rules, and to reduce both poverty and welfare use, then we must reward work rather than welfare.

Although they are not part of welfare reform legislation, the Earned Income Tax Credit and health reform are clearly two of the three major components of making work pay. Last summer's \$21 billion expansion of the Earned Income Tax Credit (EITC) was a major step toward making it possible for low-wage workers to support themselves and their families above poverty. When fully implemented, it will have the effect of making a \$4.25 per hour job pay nearly \$6.00 per hour for a parent with two or more children. Combined with food stamps, this tax credit helps ensure that people who work full-time with a family at home will no longer be poor.

The next critical step toward making work pay is ensuring that all Americans have health insurance coverage. Many recipients are trapped on welfare by their inability to find or keep jobs with health benefits that provide the security they need. And too often, poor, non-working families on welfare have better health coverage than poor, working families. The President's health care reform plan will provide universal access to health care, ensuring that no one will have to choose welfare instead of work to ensure that their children have health insurance. Both the EITC expansion and health care reform will help support workers as they leave welfare to maintain their independence and self-sufficiency. In one recent study, 83 percent of welfare recipients said they would leave welfare to take a minimum-wage job immediately if it provided health coverage for their families. Another study found that only eight percent of people who leave welfare for work get jobs that provide health insurance.

The plan includes two additional provisions that will increase the return from work for low-income families. Under current law, all income received by an AFDC recipient or applicant must be counted against the AFDC grant, except certain specified work-related and other disregards. The proposal contains several provisions to make work a more attractive option for recipients combining work and welfare and to simplify the treatment of income for recipients and caseworkers alike. States will be required to disregard a minimum of \$120 per month when calculating the AFDC benefit level, but will have flexibility to establish higher earnings disregard amounts to encourage work. In addition, States will have the option to increase the current \$50 per month amount of child support paid by the

noncustodial parent and passed through to the custodial parent (before the remaining child support is used to reimburse the State for the cost of welfare). All disregards and the child support pass-through will be indexed to inflation to ensure that recipients who work or receive child support will be treated consistently in the future.

At present, only a small percentage of EITC claimants take advantage of the option to receive part of the EITC in advance payments throughout the year. While the reasons vary for the low utilization rate, it is partly due to a lack of information and the fact that employers are responsible for determining eligibility and administering the payments. Public agencies that deal directly with welfare recipients are uniquely positioned to ensure that the advance payment option is used frequently and appropriately. The proposal will allow States to conduct demonstration projects to make advance payments of the EITC available to eligible residents through a State agency. Welfare recipients could particularly benefit from receiving the EITC in advance payments throughout the year because they would experience the rewards from work on a more timely basis.

The final critical component for making work pay is affordable, accessible child care. In order for families, especially single-parent families, to be able to work or prepare themselves for work, they need dependable care for their children. The Federal Government currently subsidizes child care for low-income families primarily through the open-ended entitlement programs (AFDC/JOBS Child Care and Transitional Child Care), a capped entitlement program (At-Risk Child Care), and a discretionary program (the Child Care and Development Block Grant, or CCDBG). Working AFDC recipients are also eligible for the child care disregard, although in many places it is too low to cover the cost of care (a maximum of \$200 a month for infants and \$175 a month for all other children). The dependent care tax credit, which helps middle-income Americans, is seldom available for low-income families because it is not refundable.

Current child care programs do not provide sufficient support for working-poor families. In addition, the separate programs are governed by inconsistent legislation and regulations, making it difficult for States and parents to interact with a coherent system of care. Finally, there are problems with quality and supply of care, especially for infants and toddlers.

SUMMARY OF PROPOSAL

There are two main parts of the proposal designed to make work pay for low-income families. First, we will improve child care programs for families on public assistance and poor working families. Second, we will allow States to reward work by changing the amount of earned income and child support payments that can be disregarded in calculating benefit levels, and to conduct demonstrations to distribute the EITC on an advanced basis.

Improve Child Care for Low-Income Families

- Maintain the child care guarantee
- Increase child care funds for low-income working families
- Address quality and supply
- Coordinate rules across all child care programs
- Create equity for participants using the child care disregard

Other Provisions to Make Work Pay

- Allow States to reward work and the payment of child support
- Permit demonstrations in four States to provide advance payments of the EITC through State agencies

CHILD CARE

This welfare reform proposal will increase child care funding both for families on cash assistance and for working families not eligible for cash assistance. In addition, the proposal focuses on creating a simplified child care system and on ensuring that children are cared for in safe and healthy environments. The proposal includes the following:

Maintain the Child Care Guarantee

People on public assistance will continue to receive child care assistance while working or in education or training. Those who leave welfare will continue to receive a year of Transitional Child Care. The child care guarantee will be extended to the WORK program.

Increase Child Care Funds for Low-Income Working Families

We also propose significant new funding for child care programs available to low-income, working families. The At-Risk Child Care Program, a capped entitlement available to serve the working poor, is capped at a very low level and States have difficulty using it because of the required State match. We propose to expand this program significantly and to make the match rate consistent with the new enhanced match rate in other Title IV-A programs.

It is hard to argue that low-income working families who have never been, or are no longer, on welfare are less needing or deserving of child care subsidies than people who are on welfare. While this proposal does not provide a child care guarantee for all working poor families, it does provide a major increase in support for them as well as for those on or moving off welfare.

In addition, the Administration's fiscal year 1995 budget calls for a 22 percent increase in funding for the Child Care and Development Block Grant (CCDBG). These funds support both services and quality improvements.

Address Quality and Supply

The goal of our child care proposal is to attain a careful balance between the need to provide child care support to as many low-income families as possible and the need to ensure the safety and healthy development of children. We are also concerned that there are specific child care supply problems in some geographic areas and for some children--especially infants and toddlers.

We will provide a set-aside in the At-Risk program to address quality improvements and supply issues. Quality improvements will include a range of activities such as resource and referral programs, grants or loans to assist in meeting State and local standards, and monitoring for compliance with licensing and regulatory requirements. Supply issues will include a special focus on the development and expansion of infant and toddler care in low-income communities.

Coordinate Rules Across All Child Care Programs

We will help States to use Federal programs to create seamless coverage for persons who leave welfare for work. States will be required to establish sliding fee scales and report consistently across programs. They will be able to place all Federal child care funding in one agency. Efforts will be made to link Head Start and child care funding streams to enhance quality and comprehensive services.

Children should be cared for in healthy and safe environments. Health and safety requirements will be made consistent across these programs and will conform to standards in the Block Grant (CCDBG) program. These State-defined health and safety standards, together with two new Federal standards on immunization and prohibiting access to toxic substances and weapons, are effective, feasible requirements designed to protect the health and safety of children. Except for these new Federal expectations related to hazardous substances and immunization, States will continue to establish their own standards; as a result, this change should not have a significant effect on many States. We do not believe the immunization standard should vary from State to State. Finally, we propose to ensure that all child care programs assure parental choice of providers, provide parents information on their child care options, and establish a system for parental complaints.

Create Equity for Participants Using the Child Care Disregard

There is a particular problem with the AFDC income disregard for child care, since it is based on a low maximum monthly payment of \$175 per child (\$200 for infant care), and because the disregard is effective only after families incur child care expenses, resulting in a cash-flow problem for many poor families. Simply raising the dollar amount of the disregard inadvertently makes a number of new families eligible for AFDC. At the same time, eliminating the disregard will make families ineligible. Therefore, to achieve equity, we propose requiring States either to offer supplemental payments or to provide working families at least two options for payment of child care costs (the disregard and one other payment mechanism).

OTHER PROVISIONS TO MAKE WORK PAY

Allow States to Reward Work and the Payment of Child Support

The existing set of AFDC earnings disregard rules makes work an irrational option for many recipients, particularly over time. Currently, all income received by an AFDC recipient or applicant is counted against the AFDC grant except income that is explicitly excluded by definition. States are required to disregard income in several ways: For each of the first four months of earnings, recipients are allowed a \$90 work expense disregard and another \$30 disregard. Also, one-third of remaining earnings are disregarded. After four months, the one-third disregard ends. The \$30 disregard ends after 12 months. In addition, a child care expense disregard of \$175 per child per month (\$200 if the child is under 2) is permitted to be calculated. Currently, \$50 in child-support is passed through to AFDC families with established awards. The EITC is also disregarded in determining AFDC eligibility and benefits.

This proposal will eliminate the current set of disregard rules and establish a much simpler minimum disregard policy at the Federal level. (The child care disregard will remain as described above.) We will allow considerable State flexibility in establishing policies beyond the minimum. Our proposal includes the following four components:

- Require States to disregard at least \$120 in earnings, indexed for inflation, without regard to time on AFDC. This is equivalent to the \$90 and \$30 income disregards that families now get after four months of earnings.
- Give States the flexibility to establish their own earned income disregard policies on income above these amounts.
- Allow States complete flexibility in determining which types of income should be considered in developing a "fill-the-gap"¹ policy (i.e., income from earnings, child support or all forms of income). Currently, if States fill the gap, they must apply all forms of income.
- The AFDC \$50 pass-through of child support payments will be indexed for inflation; States will have the option to pass through additional payments above this amount.

This proposal will yield a simpler system for recipients and caseworkers alike. It maximizes State flexibility and makes work a more attractive, rational option. By allowing workers to keep more of their earnings, it will increase the economic well-being of those workers.

1. Each State establishes an AFDC need standard (the income the State decides is the amount essential for basic consumption items) and an AFDC payment standard (100 percent or less of the need standard). Benefits are generally computed by subtracting income from the payment standard. Under a "fill-the-gap" policy, benefits are computed by subtracting income from the higher need standard.

Permit States to Provide Advance Payments of the EITC through State Agencies

Under current law, low-income workers with children can elect to obtain up to 60 percent of the credit in advance payments through their employers, and claim the balance of the credit upon filing their income tax returns. An employee choosing to receive a portion of the EITC in advance files a W-5 form with his or her employer, and the employer calculates the advanced EITC payment based on the employee's wages and filing status and adds the appropriate amount to the employee's paycheck.

Despite the overall success of the EITC, its delivery could be improved, particularly by enhancing the probability that the EITC will be claimed in advance throughout the year rather than as a year-end, lump-sum payment. Recent data indicates that fewer than one percent of EITC claimants have received the credit through advance payments through their employers. While the reasons for the current low utilization rate are not fully known, a recent GAO study found that many low-income taxpayers were unaware that they could claim the credit in advance. Welfare recipients, in particular, could benefit from receiving the credit at more regular intervals throughout the year. By receiving the credit as they earn wages, workers would experience a direct link between work effort and EITC.

This proposal will allow up to four States to conduct demonstrations to promote the use of the advance payment option of the EITC by shifting the outreach and administrative burden from employers to selected public agencies. Such agencies may include public assistance offices (AFDC and/or Food Stamps), Employment Services Offices, and State finance and revenue agencies. Where appropriate, States may coordinate advance payments of the EITC with payments of other Federal benefits (such as food stamps) through electronic benefit technology. Technical assistance will be provided by the Federal government, and each demonstration will be rigorously evaluated.

PREVENTING TEEN PREGNANCY AND PROMOTING PARENTAL RESPONSIBILITY

Poverty, especially long-term poverty, and welfare dependency are often associated with growing up in a one-parent family. Although many single parents do a heroic job of raising their children, the fact remains that welfare dependency could be significantly reduced if more young people delayed childbearing until both parents were ready to assume the responsibility of raising children.

Teenage pregnancy is a particularly troubling aspect of this problem. The number of births to teen unwed mothers (under age 20) has quadrupled in the last 30 years, from 92,000 in 1960 to 368,000 in 1991. Teenage birth rates have been rising since 1986 because the trend toward earlier sexual activity has resulted in more pregnancies. According to the Annie E. Casey Foundation, almost 80 percent of the children born to unmarried teenage high school dropouts live in poverty. In contrast, the poverty rate is only eight percent for children of young people who deferred childbearing until they graduated from high school, were twenty years old, and married. Teenage childbearing often leads to school drop-out, which results in the failure to acquire the education and skills that are needed for success in the labor market. The majority of these teenagers end up on welfare, and according to Advocates for Youth (formerly the Center for Population Options) the annual cost to taxpayers is about \$34 billion to assist families begun by a teenager.

Both parents bear responsibility for providing emotional and moral guidance, as well as economic support, to their children. Teenagers who bring children into the world are not yet equipped to discharge this fundamental obligation. If we wish to reform welfare and put children first, we must find effective ways of discouraging pregnancy among young people who cannot provide this essential support. We must send a clear and unambiguous signal -- you should not have a child until you are able to provide for and nurture that child.

For those who do become parents, we must send an equally clear message that they will have to take responsibility, even if they do not live with the child. In spite of the concerted efforts of Federal, State, and local governments to establish and enforce child support orders, the current system fails to ensure that children receive adequate support from both parents. Recent analyses by the Urban Institute suggest that the potential for child support collections is approximately \$48 billion per year. Yet only \$20 billion in awards are currently in place, and only \$14 billion is actually paid. Thus, we have a potential collection gap of about \$34 billion.

The current system sends the wrong signals: all too often noncustodial parents are not held responsible for the children they bring into the world. Only about half of all custodial parents receive any child support, and only about one-third of single mothers (both never-married and formerly-married) receive any child support. The average amount paid is just over \$2,000 for those due support. Among never-married mothers, only 15 percent receive any support. Further, paternity is currently being established in only one-third of cases where a child is born out of wedlock.

The child support problem has three main elements. First, for the majority of children born out of wedlock, a child support order is never established. Roughly 57 percent of the potential collection gap of \$34 billion can be traced to cases where no award is in place. This is largely due to the failure to establish paternity for children born out of wedlock. Second, when awards are established, they are often too low and have not sufficiently kept up with changes in the earnings of the noncustodial parent over time. Fully 22 percent of the potential gap can be traced to awards that were either set very low initially or never adjusted as incomes changed. Third, of awards that are established, the full amount of child support is not paid in half the cases. Thus the remaining 21 percent of the potential collection gap is due to failure to fully collect on awards already in place.

For children to achieve real economic security and to avoid the need for welfare, they ultimately need support from both parents. When parents fail to provide support, the children pay -- and so do we. Still, under the present system, the needs, concerns, and responsibilities of noncustodial parents are often ignored. The system needs to focus more attention on this population and send the message that fathers matter. We ought to encourage noncustodial parents to remain involved in their children's lives -- not drive them further away. Parents who pay child support restore a connection that both they and their children need.

SUMMARY OF PROPOSAL

The ethic of parental responsibility is fundamental. No one should bring a child into the world until both parents are prepared to support and nurture that child. We need to implement approaches that both require parental responsibility and help individuals to exercise it. First, we propose a national effort to prevent teen pregnancy. Second, we need special efforts to encourage responsible parenting among those on assistance, especially very young mothers. Third, we must collect more child support on behalf of all children living in single-parent families.

Reducing Teen Pregnancy and Out-of-Wedlock Births

- Lead a national campaign against teen pregnancy
- Establish a national clearinghouse on teen pregnancy prevention
- Provide teen pregnancy prevention grants
- Conduct comprehensive service demonstrations of various prevention approaches

Incentives for Responsible Behavior

- Require minor parents to live at home
- Require school-age parents to stay in school
- Allow States to limit additional benefits for additional children conceived while on AFDC
- Allow States to provide a variety of incentives to reward responsible behavior

Child Support Enforcement

- Establish awards in every case
- Ensure fair award levels
- Collect awards that are owed
- Child support enforcement and assurance demonstrations
- Enhance responsibility and opportunity for noncustodial parents

REDUCING TEEN PREGNANCY AND OUT-OF-WEDLOCK BIRTHS

We need to send a strong signal that it is essential for young people to delay sexual activity, as well as having children, until they are ready to accept the responsibilities and consequences of these actions. It is critical that we help all youth understand the rewards of staying in school, playing by the rules, and deferring childbearing until they are married, able to support themselves, and able to nurture their offspring. We have four proposals in this area:

National Campaign Against Teen Pregnancy. The President will lead a national campaign against teen pregnancy that challenges all aspects of society – business, national and community voluntary organizations, religious institutions, and schools – to join in the effort to reduce teen pregnancy. The campaign will emphasize the broader themes of economic opportunity, along with the personal responsibility of every family in every community. Government has a role to play in preventing teen pregnancy, but the massive changes in attitudes and behavior that have occurred in recent decades cannot be dealt with by Government alone.

National and individual goals will be established to define the mission and to guide the work of the national campaign. The goals will focus on measurable aspects of the broader opportunity and responsibility message for teen pregnancy prevention, such as graduating from high school; deferring childbearing until one is economically and emotionally prepared to support a child; and accepting responsibility for the support of one's children.

A non-profit, non-partisan privately funded entity committed to these goals will be established to pull together national, State, and local efforts through the media, schools, churches, communities, and individuals. Its membership will be broad-based, including youth, elected officials at all levels of government, and members of religious, sports, and entertainment communities. In addition, a Federal interagency group will provide information and coordinate the range of Federal programs in this area across program and department lines.

A National Clearinghouse on Teen Pregnancy Prevention. A National Clearinghouse on Teen Pregnancy Prevention will be established to serve as a national center for the collection and dissemination of information related to teen pregnancy prevention programs. Such information will include curricula, models, materials, training, and technical assistance. The Clearinghouse could also develop and sponsor training institutes for teen pregnancy prevention program staff and could conduct evaluations of prevention programs.

Teen Pregnancy Prevention Grants. To be most effective, a prevention strategy must begin with pre-teens, focus initially on the young people who are most at-risk, and emphasize school-based, school-linked activities and complementary community action. Under the Teen Pregnancy Prevention Grant Program, about 1,000 schools and community-based programs will be provided flexible grants, ranging between \$50,000 and \$400,000 each. Communities will be expected to use these funds to leverage other resources to implement teen pregnancy prevention programs that have local community support. Funding will be targeted to schools with the highest concentration of at-risk youth and will be available to serve both middle- and high-school-age youth. The goal will be to work with youth as early as age 10 and to establish continuous contact and involvement through graduation from high school. To ensure quality and establish a visible and effective presence, these programs will be supervised by professional staff and, where feasible, be supported by a team of national service participants provided by the Corporation for National and Community Service. These grants will be coordinated with other Administration activities and will include an evaluation component.

Comprehensive Services Demonstration Grants to Prevent Teen Pregnancy in High Risk Communities. An effective approach to reducing teen pregnancy must jointly emphasize increased personal responsibility and enhanced opportunity. Particular emphasis must be paid to the prevention of adolescent pregnancy before marriage, including sex education, abstinence education, life skills education, and contraceptive services. Programs that combine these elements have shown the most promise, especially for adolescents who are motivated to avoid pregnancy until they are married.

However, for those populations where adolescent pregnancy is a symptom of deeper problems, a wider spectrum of services and more intensive efforts may be necessary.

For this reason, we propose comprehensive community-based demonstration grants of sufficient size or "critical mass" to significantly improve the day-to-day experiences, decisions, and behaviors of youth. Local governments and local public and private non-profit organizations in high-poverty areas will be eligible to apply. Sites will be asked to cover five broad areas, with significant flexibility: health services, educational and employability development services, social support services, community activities, and employment opportunity development activities. The grants will follow a "youth development" model and will address a wide spectrum of areas associated with youth living in a healthy community: economic opportunity, safety, health, and education. These demonstrations will include a strong evaluation component and will be coordinated with other Administration activities.

INCENTIVES FOR RESPONSIBLE BEHAVIOR

Personal responsibility belongs at the heart of every government program. We believe that very clear and consistent messages about parenthood, and the ensuing responsibilities, hold the best chance of encouraging young people to defer parenthood. A boy who sees his brother required to pay about 20 percent of his income in child support for 18 years may think twice about becoming a father. A girl who knows that young motherhood will not relieve her of obligations to live at home and go to school may prefer other choices. We hope and expect that a reformed system that strongly reinforces the responsibilities of both parents will help prevent too-early parenthood and assist young parents become self-sufficient.

Along with responsibility, however, we must support opportunity. Telling young people to be responsible will not be effective unless we also provide them the means to exercise responsibility and the hope that playing by the rules will lead to a better life. We want to give States a broad range of incentives and requirements to reward responsible behavior:

Minor parents live at home. Teenagers who have children are still children themselves and need adult supervision and guidance. The welfare system should not encourage young people who have babies to leave home and receive a separate check. Minor parents will be required to live in their parents' household, except when, for example, the minor parent is married or there is a danger of abuse to the minor parent or her child. In such cases, States will be encouraged to find a responsible adult with whom the minor mother can live. Current AFDC rules permit minor mothers to be "adult caretakers" of their own children. This proposal will require minor parents to live in an environment where they can receive the support and guidance they need. At the same time, the circumstances of each individual will be taken into account.

Requiring school-age parents to stay in school. States will be required to provide case management services to all custodial parents receiving AFDC who are under age 20. We will ensure that every school-age parent or pregnant teenager who is on, or applies for, welfare enrolls in the JOBS program, continues her education, and is put on a track to self-sufficiency. Every school-age parent receiving AFDC (male or female, case head or not) will be subject to JOBS participation requirements from the moment the pregnancy or paternity is established. All JOBS rules pertaining to personal responsibility contracts, employability plans, and participation will apply to teen parents.

State option to limit additional benefits for additional children conceived on AFDC. Currently, welfare benefits automatically increase with the birth of an additional child. Under the proposal, States will have the option to limit benefit increases when additional children are conceived by parents already on AFDC. States will be required to allow families to "earn back" the lost benefit amount through disregarded income from earnings or child support, and to ensure that parents have access to family planning services.

State options for incentives to reward responsible behavior. States will be given the option to use monetary incentives combined with sanctions as inducements to encourage young parents to remain in school or GED class. They may also use incentives and sanctions to encourage participation in appropriate parenting activities. This option is similar to Ohio's Learning, Earning, and Parenting (LEAP) program.

CHILD SUPPORT ENFORCEMENT

A typical child born in the United States today will spend some time in a single-parent home. The evidence is clear that children benefit from the financial support and interaction of both parents -- single parents cannot be expected to do the entire job of two parents. In spite of the concerted efforts of Federal, State, and local governments to establish and enforce child support orders, the current system fails to ensure that children receive adequate support from both parents. Recent analyses by The Urban Institute suggest that the potential for child support collections is approximately \$48 billion per year. Yet only \$20 billion in awards are currently in place, and only \$14 billion is actually paid.

The problem is essentially threefold. First, for many children born out of wedlock, a child support order is never established. Second, when awards are established, they are often too low, are not adjusted for inflation, and are not sufficiently correlated to the earnings of the noncustodial parent. And third, of awards that are established, the full amount of child support is collected in only about half the cases. Our proposal addresses each of these shortcomings.

Establish Awards in Every Case

The first step in ensuring that a child receives financial support from the noncustodial parent is the establishment of a child support award. Roughly 57 percent of the potential collection gap of \$34 billion can be traced to cases where no award is in place. Paternity, a prerequisite to establishing a support award, has not been established in about half of these cases. States currently establish paternity for only about one-third of the out-of-wedlock births and typically try to establish paternity only after women apply for welfare.

Paternity establishment is the first crucial step toward securing an emotional and financial connection between the father and the child. Recognizing the critical importance of establishing paternity for every child, the Administration has already launched a major initiative in this direction by the creation of in-hospital paternity establishment programs passed as part of the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993). Research suggests that the number of paternities established can be increased dramatically if the process begins at birth or shortly thereafter, when the father is most likely to be present.

Parenting a child must be seen as an important responsibility that has consequences. For young fathers, this means that parenting a child will have real financial consequences for the support of that child. The responsibility for paternity establishment should be made clearer for both the parents and the agencies. If an AFDC mother provides verifiable information about the father, State agencies must establish paternity within strict timelines.

This proposal expands the scope and improves the effectiveness of current State paternity establishment procedures.

Streamlining the Paternity Establishment Process. The legal process for establishing paternity will be streamlined so that States can establish paternity quickly and efficiently. Early voluntary acknowledgement of paternity will be encouraged by building on the present in-hospital paternity establishment programs. For those cases that remain, States will be given additional tools they need to process routine cases without having to depend so heavily on already over-burdened courts.

Cooperation from Mothers as a Condition of AFDC Benefits. The responsibility for paternity establishment will be made clear both to parents and the agencies. Mothers who apply for AFDC must cooperate fully with paternity establishment procedures prior to receiving benefits and will be held to a new, stricter definition of cooperation which requires that the mother provide the name and other verifiable information that can be used to locate the father. The process for determining cooperation will also be changed -- "cooperation" will be determined by the child support worker, rather than the welfare caseworker, through an expedited process that makes a determination of cooperation before an applicant is allowed to receive welfare benefits. Those who refuse to cooperate will be denied AFDC benefits. Good cause exceptions will continue to be provided in appropriate circumstances. In turn, once an AFDC mother has cooperated in providing information, States will have one year to establish paternity or risk losing a portion of their Federal match for benefits.

Paternity Outreach. Outreach and public education programs aimed at voluntary paternity establishment will be greatly expanded in order to begin changing the attitudes of young fathers and mothers. Outreach efforts at the State and Federal levels will promote the importance of paternity establishment, both as a parental responsibility and as a right of the child to know both parents.

Paternity Performance and Measurement Standards. States will be encouraged to improve their paternity establishment rates for all out-of-wedlock births, regardless of welfare status, through performance-based incentives. A new paternity measure will be implemented that is based on the number of paternities established for all cases where children are born to an unmarried mother.

Administrative Authority to Establish Orders Based on Guidelines. Establishing support awards is critical to ensuring that children receive the support they deserve. Child Support (IV-D) agencies will be given the administrative authority to establish the child support award in appropriate cases, based on State guidelines.

Ensure Fair Award Levels

Fully 22 percent of the potential child support collection gap can be traced to awards that are either set very low initially or are not adjusted as incomes change. All States are currently required to use presumptive guidelines for setting and modifying all support awards but they have wide discretion in their development and the resulting award levels vary considerably across States. For example, in

one study, the minimum amount of support due from low-income noncustodial parents required to pay support for one child varied from \$259 per month in Alabama, to \$241 in California, \$50 in Massachusetts, and \$25 in New York. While the use of State-based guidelines has led to more uniform treatment of similarly-situated parties within a State, there is still much debate concerning the adequacy of support awards resulting from guidelines.

Another concern is the failure to update awards as the circumstances of the parties change. Although the circumstances of both parents (including their income) and the child typically change over time, awards often remain at their original level. Updating typically increases awards over time because the noncustodial parent's income generally increases after the award is set, while inflation reduces the value of awards. However, the noncustodial parent who loses his job or experiences a legitimate drop in earnings would also benefit from updating because adjusting their awards will reduce the accumulation of arrearages.

This proposal seeks to reduce the impact of inadequate child support awards and to provide distribution policies that enable families to more easily move from welfare to work.

Modifications of Child Support Orders. Universal, periodic, administrative updating of awards will be required for both AFDC and non-AFDC cases in order to ensure that awards accurately reflect the current ability of the noncustodial parent to pay support. The burden for asking for an increase, if it is warranted, will be lifted from the non-AFDC mother and it will be done automatically, unless both parents decline a modification.

Distribution of Child Support Payments. Child support distribution policies will be made more responsive to the needs of families by re-ordering child support distribution priorities. For families who leave welfare for work, pre- and post-AFDC child support arrearages will be paid to the family first. Families who unite or reunite in marriage will have any child support arrearages owed to the State forgiven under certain circumstances. States will also have the option to pay current child support directly to families who are recipients. Families often remain economically vulnerable for a substantial period of time after leaving AFDC. In fact, about 45 percent of those who now leave welfare return within one year. More than 70 percent return within five years. Ensuring that all support due to the family during this critical transition period is paid to the family can mean the difference between self-sufficiency or a return to welfare.

National Commission on Child Support Guidelines. Under the proposal, a National Guidelines Commission will be established to study the issue of child support guidelines and make recommendations to the Administration and Congress on the desirability of uniform national guidelines or national parameters for setting State guidelines.

Collect Awards That Are Owed

The full amount of child support is collected in only about half the cases. Currently, enforcement of support cases is too often handled on a complaint-driven basis, with the IV-D agency taking enforcement action only when the custodial parent pressures the agency to do so. Many enforcement steps require court intervention, even when the case is a routine one. And even routine enforcement measures often require individual case processing, as opposed to being able to rely on automation and mass case processing.

This proposal includes provisions for central registries and other tools to improve both intra- and interstate enforcement.

State Role. A State-based system will continue, but with bold changes which move the system toward a more uniform, centralized, and service-oriented program. The need has grown for one central State location to collect and distribute payments in a timely manner. The ability to maintain accurate records that can be centrally accessed is critical. All States will maintain a central registry and centralized collection and disbursement capability. The registry will maintain current records of all support orders and work in conjunction with a centralized payment center for the collection and distribution of child support payments. The State-based central registry of support orders and centralized collection and disbursement will enable States to make use of economies of scale and use modern technology, such as that used by business – high speed check processing equipment, automated mail and postal procedures, and automated billing and statement processing.

Centralized collection will vastly simplify withholding for employers since they will only have to send payments to one source. In addition, this change will ensure accurate accounting and monitoring of payments. State staff will monitor support payments to ensure that the support is being paid, and they will be able to impose certain enforcement remedies at the State level administratively and automatically. Thus, routine enforcement actions that can be handled on a mass or group basis will be imposed through the central State offices using computers and automation. For States that opt to use local offices, this will supplement, but not replace, local enforcement actions.

In addition to the current State caseload, all new and modified orders for support will be included in the central registry and will receive child support enforcement services automatically, without the need for an application. Certain parents, provided that they meet specified conditions, can choose to make their payment outside the registry.

States must move toward a child support system for the 21st century. With 15 million cases and a growing caseload, this will not occur by simply adding more caseworkers. Routine cases have to be handled in volume. The central registry, centralized collection and disbursement system, increased administrative remedies, and overall increase in automation and mass case processing are all necessary for the operation of a high performing and effective child support enforcement system. Giving State agencies the ability to take enforcement action immediately and automatically removes the burden of enforcing the obligation from the custodial parent, usually the mother.

Federal Role. The Federal role will be expanded to ensure efficient location and enforcement, particularly in interstate cases. In order to coordinate activity at the Federal level, a National Clearinghouse (NC) will be established, consisting of three components: an expanded Federal Parent Locator Service (FPLS), the National Child Support Registry, and the National Directory of New Hires.

Interstate Enforcement. New provisions will be enacted to improve State efforts to work interstate child support cases and to make interstate procedures more uniform throughout the country. The fragmented system of State child support enforcement has caused tremendous problems in collecting support across State lines. Given the fact that 30 percent of the current caseload involves interstate cases, and the fact that we live in an increasingly mobile society, the need for a stronger Federal role in interstate location and enforcement has grown. Many of the recommendations of the U.S. Commission on Interstate Child Support will be included to improve the handling of interstate cases,

such as the mandatory adoption of the Uniform Interstate Family Support Act (UIFSA) and other measures to make the handling of interstate cases more uniform.

License Suspension. States will be required to use the threat of revoking professional, occupational, and drivers' licenses to make delinquent parents pay child support. This threat has been extremely effective in Maine, California, and other States.

Other Tough Enforcement Measures. To insure that people do not escape their legal and moral obligation to support their children, States will be given the enforcement tools they need, especially to reach the self-employed and other individuals who have often been able to beat the system in the past. Some of these tools include universal wage withholding, improved use of income and asset information, easier reversal of fraudulent transfers of assets, interest and late penalties on arrearages, expanded use of credit reporting, easing bankruptcy-related obstacles, and authority to use the same wage garnishment procedures for Federal and non-Federal employees.

Training and Employment Programs for Noncustodial Parents. States will have the option of developing JOBS and/or work programs for noncustodial parents who have children receiving AFDC or who have child support arrearages owed to the State from prior periods of AFDC receipt by their children. A State could allocate a portion of its JOBS and WORK funding for training, work readiness, and work opportunities for noncustodial parents. Requiring noncustodial parents to train or work off the child support they owe appears to increase collections dramatically -- most noncustodial parents pay their support rather than perform court-ordered community service. For those without job skills or jobs, these programs provide the opportunity for noncustodial parents to fulfill their child support obligations.

Performance-Based System. The entire financing and incentive scheme will be reconstructed, offering States new performance-based incentive payments geared toward desired outcomes. Federal technical assistance will be expanded to prevent deficiencies before they occur. While penalties will still be available to ensure that States meet program requirements, the audit process will emphasize a performance-based, "State-friendly" approach. There is almost universal agreement that the current funding and incentive structure fails to achieve the right objectives. These new tools can only be used effectively if States have the necessary funding and incentives to run good programs.

Child Support Enforcement and Assurance (CSEA) Demonstrations

Children need and deserve support from both parents. Yet collections are often sporadic. Often no money is received for several months, sometimes followed by a large arrearage payment. In other cases, the father is unemployed and cannot pay that month. In still other cases, the State simply fails in its duties to collect money owed. The proposal calls for a limited number of time-limited Child Support Enforcement and Assurance demonstrations which will attempt to link expanded efforts at child support collections to some level of guarantee that a child will receive a child support payment on a consistent basis. Under this experiment, persons with an award in place would be guaranteed a minimum level of support -- for example, \$2,000 annually for one child and \$3,000 for two. This does not relieve the noncustodial parent of any obligations. It simply ensures that the child will get some money even if the State fails to collect it immediately.

Child support enforcement and assurance is meant to test ways to ease the difficult task of moving people from welfare to work. It is designed to allow single parents to count on some child support, usually from the noncustodial parent, but from the assured child support payment if the noncustodial parent becomes unemployed or cannot pay child support. States that try this demonstration will have the option to link it with programs that require the noncustodial parent to work off the amount owed.

CSEA protection will be provided only to custodial parents who have a child support award in place, so mothers should have more incentive to cooperate in the identification and location of the noncustodial father, since they will be able to count on receiving benefits. CSEA benefits will normally be subtracted dollar for dollar from welfare payments. In most States, a woman on welfare will be no better off with CSEA, but if she leaves welfare for work, she can still count on her child support payments. Thus, work should be much more feasible and attractive.

Enhance Responsibility and Opportunity for Noncustodial Parents

There is considerable overlap between issues concerning child support enforcement and issues concerning noncustodial parents. The well-being of children who live with only one parent will be enhanced if emotional and financial support is provided by both of their parents. Yet, the current child support enforcement system is ill-equipped to handle cases in which noncustodial parents cite unemployment as the reason for their failure to make court-ordered support payments. It also pays scant attention to the needs and concerns of noncustodial parents -- instead of encouraging noncustodial parents to remain involved in their children's lives, the system often drives them away.

We need to make sure that all parents live up to their responsibilities. If we are going to expect more of mothers in welfare reform, we must not let fathers just walk away. A number of programs show considerable promise in helping noncustodial parents reconnect with their children and fulfill their financial responsibilities to support them. Some programs help parents do more by seeing that they get the skills they need to hold down a job and support their children. Other programs require noncustodial parents to work off the support they owe. It is also important to show parents who get involved in their children's lives again that when they pay child support, they restore a connection they and their children need.

This proposal will focus more attention on noncustodial parents and send a message that "fathers matter." The child support system, while getting tougher on those who can pay support but refuse to do so, will also be fair to those noncustodial parents who show responsibility toward their children.

Work and Training for Noncustodial Parents. States will have the option to use a portion of JOBS and WORK program funding for training, work readiness, educational remediation, and mandatory work programs for noncustodial parents of AFDC recipient children who cannot pay child support due to unemployment, underemployment or other employability problems. States will be able to choose to make participation by noncustodial parents mandatory or voluntary and will have considerable flexibility in designing their own programs.

Demonstration Grants for Paternity and Parenting Programs. Paternity and Parenting Demonstration grants will be made to States and/or community-based organizations to develop and implement noncustodial parent components in conjunction with existing programs for high-risk families (e.g., Head Start, Healthy Start, family preservation, teen pregnancy, and prevention). These grants will promote responsible parenting, emphasize the importance of paternity establishment and economic security for children, and develop parenting skills.

Access and Visitation Grants to States. Paternity actions will stress the importance of getting fathers involved earlier in their children's lives. These grants will be made to States for programs which reinforce the desirability of children having continued access to and visitation by both parents. These programs include mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement including monitoring, supervision and neutral drop-off and pick-up, and development of guidelines for visitation and alternative custody arrangements.

IMPROVING GOVERNMENT ASSISTANCE

The current welfare system is enormously complex. There are multiple programs with differing and often inconsistent rules. The complexity obscures the mission of assisting families in need, frustrates people seeking aid, confuses caseworkers, increases administrative costs, leads to program errors and inefficiencies, and almost seems to invite waste and abuse.

SUMMARY OF PROPOSAL

Clearer Federal goals which allow greater State and local flexibility are critical. A central Federal role in information systems and interstate coordination will prevent waste, fraud, and abuse and will also improve service delivery at State and local levels. The proposal to reinvent government assistance contains three major components:

Coordination, Simplification, and Improved Incentives in Income Support Programs

- Allow States to eliminate special requirements for two-parent families
- Allow families to own a reliable automobile
- Allow families to accumulate savings
- Other coordination and simplification proposals
- Self-employment/microenterprise demonstrations
- Limit definition of essential persons

Accountability, Efficiency, and Reducing Fraud

- A nationwide public assistance clearinghouse
- State tracking systems
- Expansion of EBT systems

A Performance-Based System

- New performance measures and service delivery standards
- Improved quality assurance system
- Technical assistance

COORDINATION, SIMPLIFICATION, AND IMPROVED INCENTIVES IN INCOME SUPPORT PROGRAMS

Everyone from advocates to administrators is calling for simplification of the welfare system, and with good reason. The rationalization and simplification of income assistance programs can be achieved by making disparate Food Stamp and AFDC policy rules uniform or complementary for related policy provisions. Standardization among programs will enable caseworkers to spend less time on determining eligibility for various programs and more time on developing and implementing strategies to move clients from welfare to work.

Some of these rules have led to criticism of the welfare system because it imposes a "marriage penalty" to recipients who choose to wed by potentially making the married-couple family ineligible for assistance. Eliminating the current bias in the welfare system against two-parent families will encourage parents to remain together and prevent one parent from leaving the home in order for the other parent to receive welfare for the children.

Economic security is a vital step towards leaving welfare permanently. Restrictive asset rules often frustrate the efforts of recipients to save money and subsequently hamper their ability to attain self-sufficiency. Changing the asset rules to allow recipients to accrue savings, own a reliable car, or even start a business is an important step in the right direction.

Allow States to Eliminate Special Requirements for Two-parent Families

AFDC eligibility for two-parent families is currently limited to those in which the principal wage earner is unemployed and has worked six of the last 13 quarters. "Unemployed" is defined as working less than 100 hours in a month. Under this proposal States may eliminate the special eligibility requirements for two-parent families, including the 100 hour rule, the 30 day unemployment requirement, and the employment test. For States that elect to maintain a 100 hour (or modified) rule, WORK program participation will not count toward the rule. In addition, this proposal removes the sunset provision that allows for the termination of the AFDC-UP program in September 1998, and makes it a permanent program. These changes will allow States to better address the needs of intact working poor families.

Allow Families to Own a Reliable Automobile

Reliable transportation will be essential to achieving self-sufficiency for many recipients in a time-limited program -- if we are expecting them to work, we should allow them to have a reliable car that will get them to work. A dependable vehicle is important to individuals in finding and keeping a job, particularly for those in areas without adequate public transportation. Both the AFDC and Food Stamp programs need a resource policy that supports acquiring reliable vehicles.

For AFDC, the permitted equity value for one car is set at \$1,500 or a lower value set by the State. In the Food Stamp Program, the portion of a car's fair market value in excess of \$4,500 is counted toward the resource limit, although a car of any value can be excluded in certain limited circumstances. In both programs the automobile limitations can be a substantial barrier to independence. Current AFDC policy would prevent total exclusion of most cars less than eight to ten years old. As part of welfare reform, the Secretary of Health and Human Services will exercise existing regulatory

authority to increase the AFDC automobile limit to an equity value of \$3,500, which is more compatible with the current Food Stamp fair market value limit.

Allow Families to Accumulate Savings

As part of the welfare reform effort, we will explore a range of strategies, above and beyond education and job training, to help recipients achieve self-sufficiency. Encouraging welfare recipients to save money to build for their future and allowing them to accumulate savings for specific purposes will help promote self-sufficiency. Strategies will include raising the AFDC asset limit, conforming AFDC and Food Stamp program rules on what counts as an asset, and empowering welfare recipients to start their own businesses.

The very restrictive asset rules across Federal assistance programs are perceived as significant barriers to families saving and investing in their futures. We propose to develop uniform resource exclusion policies in AFDC and Food Stamps. This proposal will increase the AFDC resource limit (currently \$1,000) to \$2,000 (or \$3,000 for a household with a member age 60 or over) to conform to the Food Stamp resource limit and to encourage work and self-sufficiency.

The current inconsistency of asset rules across programs creates needless confusion and administrative complexity. We will take steps to reduce the administrative complexities that exist in the treatment of assets and resources for the purpose of determining eligibility for both the AFDC and Food Stamp programs in order to apply the same rules to the same resources for the same family. We will generally conform AFDC to Food Stamp policy regarding real property, cash surrender value of life insurance policies, and transfer of resources. These conforming changes achieve simplification by streamlining the administrative processes in both programs.

Recipients will be permitted to accumulate savings in Individual Development Accounts (IDAs) for specific purposes such as post-secondary education expenses and first-home purchases. Subsidized IDAs, in which savings by recipients would be matched by Federal government dollars, will be tested on a demonstration basis. Non-recurring lump sum income will not be counted as a resource with respect to continuing eligibility to receive benefits in either AFDC or Food Stamps if put into an IDA.

Other Coordination and Simplification Proposals

Additional AFDC and Food Stamp program changes would simplify and coordinate rules to encourage work, family formation, and asset accumulation. These include:

Optional Retrospective Budgeting. The proposal will conform AFDC to the Food Stamp Program's more flexible requirements for reporting and budgeting income. Under Food Stamp Program rules, States are given the option to use prospective or retrospective budgeting with or without monthly reporting. This proposal will foster consistency between the AFDC and Food Stamp programs and give States greater flexibility to administer their programs.

Treatment of income. Federal AFDC law requires that all income received by an AFDC recipient or applicant be counted against the AFDC grant except income that is explicitly excluded by definition or deduction. A number of changes are proposed to bring greater conformity between the AFDC and Food Stamp programs, to streamline both programs and/or to reintroduce positive incentives for recipients to work. Several provisions will meet these objectives.

The proposal will exclude non-recurring lump sum payments from income for AFDC purposes, and disregard reimbursements and EITC as resources for both programs. Lump sum payments, such as EITC or reimbursements, will be disregarded as resources for one year from the date of receipt to allow families to conserve the payments to meet future living expenses. In addition, we will disregard all education assistance received by applicants and recipients in both the AFDC and Food Stamp programs. The earnings of most elementary and secondary students up to age 19 will be disregarded, as will all training stipends and allowances, including JTPA. In-kind income, both earned and unearned will be disregarded. Food Stamp rules will conform to AFDC to exclude inconsequential income up to \$30 per individual per quarter. Allowances, stipends, and educational awards received by volunteers participating in a National Service Program will be disregarded for AFDC purposes to conform to Food Stamp policy. Targeted earned income disregards for on-the-job training programs or jobs will be eliminated.

Together these proposals will make the treatment of income simpler for both recipients and welfare officials to understand. They will make work and education a more attractive, rational option for those who would continue to receive assistance and they will improve the economic well-being of those who need to combine work and welfare.

Other Conformities. We propose conforming and streamlining AFDC and Food Stamp policies regarding underpayments and verifications. Underpayments will be restored to both current and former recipients for amounts underpaid due to agency error for a period not to exceed 12 months. While verification of information needed for eligibility and benefit determinations will continue to be critical to delivering assistance, States will be given flexibility to simplify verification systems, methods, and timeframes for income, identity, alien status, and Social Security Numbers. AFDC requirements concerning declaration of citizenship and alien status will be amended to conform to Food Stamp policy. States will be permitted to implement Federal income tax intercept programs to collect outstanding AFDC overpayments, as currently available for Food Stamps.

Territories. The territories operate AFDC, Aid to the Aged, Blind, and Disabled, JOBS, child care, and Foster Care programs under the same eligibility and payment requirements as the States. However, funding for these programs is capped for the territories. Benefit payments above the cap are financed 100 percent by the territories. The caps are \$82 million for Puerto Rico, \$3.8 million for Guam, and \$2.8 million for the Virgin Islands. Between 1979 and the present, the caps were increased only once, by roughly 13 percent. The number of public assistance programs funded under the current caps, coupled with only one adjustment to these caps in 15 years, has seriously limited the territories' abilities to provide, let alone increase, benefits. Further, beginning October, 1994, Puerto Rico will be required to extend eligibility to two-parent families.

This proposal will continue to give territories the authority to operate public assistance programs and adequate means to do so. We will increase the current caps by 25 percent to create realistic funding levels for the territories that are reflective of the current economy and caseload. We will also create a mechanism for indexing the caps to provide for occasional adjustments in funding levels to guarantee that funding is linked to economic conditions. Requirements to operate AFDC-UP programs in the territories will be eliminated. In addition, territories will be permitted, but not required, to implement a two-year time limit and the WORK program.

Self-Employment/Microenterprise Demonstrations

The proposal includes a self-employment/microenterprise demonstration program. This program will attempt to promote self-employment among welfare recipients by providing access both to microloan funds and to technical assistance in the areas of obtaining loans and starting businesses. The demonstration will explore the extent to which self-employment can serve as a route to self-sufficiency for recipients of cash assistance by encouraging persons on assistance to start microenterprises (small businesses). In addition, authority will be granted to the Departments to develop joint regulations to exclude resources necessary for self-employment.

Limit Definition of Essential Persons

Under current law, States are permitted, at their option, to include in the AFDC grant benefits for persons who are considered essential to the well-being of an AFDC recipient in the family. Such individuals are not eligible for AFDC in their own right, but their needs are taken into account in determining the benefits payable to the AFDC family because of the benefits or services they provide to the family. Currently, 22 States have selected the option of including essential persons as part of the AFDC unit. This proposal will limit the kinds of individuals that a State may identify as "essential" to eliminate the loophole that allows families to bring relatives like adult siblings into the AFDC unit regardless of the role they play in the family. We propose defining essential persons as only those who: (1) provide child care, that allows the caretaker relative to pursue work and education, or (2) provide care for an incapacitated AFDC family member in the home.

ACCOUNTABILITY, EFFICIENCY, AND REDUCING FRAUD

Improvements in administration of welfare programs through the use of computerized information systems began in the late 1970s, but efforts have been sporadic, fragmented, and have resulted in varying degrees of sophistication, often depending on available funding incentives. Many of these systems have serious limitations, including limited flexibility, lack of interactive access, and limited ability to electronically exchange data. Multiple and uncoordinated programs and complex regulations almost seem to invite waste, fraudulent behavior, and simple error.

Computer and information technology solutions will support welfare reform by providing new automated screening and intake processes, eligibility decision-making tools, and benefit delivery techniques. Application of modern technologies such as expert systems, relational databases, voice recognition units, and high performance computer networks will permit the development of an information infrastructure and system that is able to eliminate the need for clients to access different entry points before receiving services; eliminate the need for agency workers (and clients) to encounter and understand a wide variety of complex rules and procedures; fully share computer data

with programs within the State and among States; and provide the kind of case tracking and management that will be needed for a time-limited welfare system.

We are proposing to make use of new technology and automation to develop an information infrastructure that allows State-level integration and interfacing of multiple systems (including AFDC, food stamps, work programs, child care, child support enforcement, and others) and offers the chance to implement transitional programs which ensure quality service, fiscal accountability, and program integrity. States will be able to use the location and receipt of AFDC and the names and Social Security Numbers of members of AFDC families to detect and prevent fraud and abuse. Such information, either alone or by matching it with other data sources, will allow States to prevent, for example, clients from receiving benefits in multiple locations, from claiming non-existent children, and from claiming children by more than one family.

Partly as a result of increasing the detection of fraud and abuse and partly as a result of changing the culture of the welfare system, much fraud and abuse will be prevented or deterred before it occurs. For instance, people who currently have unreported jobs, but are fraudulently getting cash assistance, will be "smoked-out" because the JOBS plus WORK requirements will prevent them from working at their unreported employment. In the face of increased likelihood of detection of fraud and abuse, others may decide not to come onto the rolls at all or, once on, may decide to actively pursue self-sufficiency.

Program integrity activities will focus on ensuring overall payment accuracy and on the detection and prevention of recipient, worker, and vendor fraud. The new systems at the local, State, and Federal levels will dramatically increase the ability to detect many kinds of fraud and abuse. To support the broader information needs, the new information infrastructure needs to include both a national data clearinghouse to coordinate data exchange, as well as enhanced State and local information processing. In sum, the new welfare system, on the one hand, will provide government agencies enhanced tools to detect fraud and abuse and will prevent and deter clients from engaging in such activities and, on the other, will encourage clients to participate more actively in their own self-improvement.

A nationwide public assistance clearinghouse will be created which will be a collection of abbreviated case and other data. The clearinghouse will maintain at least the following data registries: the National Directory of New Hires with employment data including new hires; an expanded Federal Parent Locator Service; the National Child Support Registry of data on noncustodial parents who have support orders; and the National Welfare Receipt Registry to assist in operating a national time-limited assistance "clock" by tracking people whenever and wherever they use welfare. Such a system is essential for keeping the clock in a time-limited welfare system. Persons will not be able to escape their responsibilities by moving or collect benefits in two jurisdictions simultaneously.

State tracking systems will follow people in the JOBS and WORK programs. These systems will ensure that people are getting access to what they deserve and that they are being held accountable if they are failing to meet their obligations. Each State will be expected to develop a tracking system which indicates whether people are receiving and participating in the appropriate training and placement services.

Expansion of EBT systems. As part of the National Performance Review, Vice President Al Gore charged a Federal Task Force representing the Departments of Health and Human Services, Agriculture, Education, Treasury, the Office of Personnel Management, and the Office of Management and Budget to develop a strategic plan for a nationwide system to deliver government benefits, including welfare assistance, electronically. In its recent report, the Task Force sets forth a vision for implementation of a uniform, integrated national system for Electronic Benefits Transfer (EBT) by 1999.

This system will replace today's multiple paper systems and provide better service to benefit recipients without bank accounts and Food Stamp recipients at a lower cost to the taxpayer. Under EBT, recipients will receive a single EBT card which they could use at ATM or point-of-sale (POS) machines in stores and other locations to electronically access one or many types of benefits, from welfare to Social Security. The card helps to eliminate the stigma associated with cashing a government disability or welfare check or using food stamps at a grocery store, and can help restore the self-esteem needed for work and independence. EBT also eliminates much of the high risk of theft associated with getting a benefit check in the mail and with cashing it for its full value. Recipients can access their benefits at their convenience (compatible with their work or training schedule) without incurring check cashing fees. And, since using an EBT card is like using a bank card, recipients will be better prepared to participate in the economic mainstream of the community as they begin to work.

An EBT system has great long-term potential for better coordination of Federal benefit programs. At least 12 Federal and State assistance programs could use EBT to replace their paper benefit delivery methods. Once the full range of programs is included, a nationwide EBT system could deliver at least \$111 billion in benefits annually.

A PERFORMANCE-BASED SYSTEM

One objective of welfare reform is to transform the culture of the welfare system -- from an institutional system whose primary mission is to ensure that poor children have a minimal level of economic resources, to a system that focuses equal attention on the task of integrating their adult caretakers into the economic mainstream of society. We envision an outcome-based performance measurement system that consists of a limited set of broad measures and focuses State efforts on the goals of the transitional support system -- helping recipients become self-sufficient, reducing dependency, and moving recipients into work. The Secretary of Health and Human Services will develop a system of performance standards which measures States' success in moving clients toward self-sufficiency and reducing their tenure on welfare. The system will be developed and implemented over time; interested parties will be included in the process for determining outcome-based performance measures and standards.

Until a system incorporating outcome-based standards can be put into place, State performance will be measured against service delivery standards. These standards will be used to monitor program implementation and operations, provide incentives for timely implementation, and ensure that States are providing services needed to convert welfare into a transitional support system. The new service delivery measures for JOBS are designed to see that a substantial portion of such cases are being served on an ongoing basis. As soon as WORK program requirements begin to take effect, States also will be subject to performance standards under the WORK program to ensure that recipients are provided with jobs when they reach the time limit. Until automated systems are operational and

reliable, State performance vis-a-vis these service delivery measures will be based on information gathered through a modified Quality Control system.

New Performance Measures and Service Delivery Standards

Consistent with the theme of "reinventing government," State performance in accomplishing the goals of this reform initiative will ultimately be judged on the basis of outcomes rather than inputs or effort -- by the results they achieve rather than the way they achieve those results. An outcome-based performance standards system will keep the focus of welfare reform on the goals of moving recipients toward self-sufficiency and independence while ensuring the overall well-being of children and their families.

In order to change the focus of the welfare system, the outcome-based performance standards system will measure the extent to which the program helps participants improve their self-sufficiency, their independence from welfare, their labor market participation, and the economic well-being of families with children. Recognizing the complexity of this task, this proposal adopts a prudent strategy that moves forcefully, yet with reasonable caution, in the direction of developing an outcome-based performance system. Performance measures will be developed first, and then standards of performance with respect to those measures will be set. Relevant parties will be consulted during this process to ensure that consideration is given to important measurement issues such as what would be an appropriate set of measures; what kind of realistic standards should be set with respect to those measures, and what the consequences should be for failing to meet established standards.

For the purposes of accountability and compliance, service delivery measures will be implemented first to ensure that welfare systems are operating the program for the phased-in mandatory population as intended. The new performance system will provide rewards and penalties for State performance through adjustments to the State's claims for Federal matching funds on AFDC payments and bonus payments to States. The measures are designed to provide positive and negative incentives to States to serve recipients under the new transitional system and to monitor program operations. States will be subject to service delivery standards and financial incentives in the following areas: the cap in deferrals, a monthly participation rate in JOBS, the cap on JOBS extensions, State accuracy in keeping the two-year clock, and a participation rate in WORK.

Improved Quality Assurance System

As part of the effort to refocus the welfare system, the Quality Control (QC) system will be revised to include outcome and service delivery standards in addition to ensuring that income support is provided competently. The existing QC system focuses on how well the welfare system's income support function is performed to the exclusion of other system goals. This emphasis shapes the atmosphere (the "culture") within welfare agencies, how personnel are selected and trained, how administrative processes are organized, and how organizational rewards are allocated. Moving to the new system envisioned by this proposal will present implementation and operational challenges that make the current system of judging performance inadequate.

The new, broader, QC system will give equal priority to payment accuracy and the other designated performance standards. It will include improving the accuracy of benefit and wage payments in the AFDC and WORK programs, assessing the quality and accuracy of State-reported JOBS/WORK data, and measuring the extent to which performance standards are met.

Technical Assistance

Welfare reform seeks nothing less than a change in the culture of the welfare system. This necessitates making major changes in a system that has primarily been issuing checks for decades. Now we will be expecting States to change individual behavior and their own institutions so that welfare recipients will be moved into mainstream society. This will not be done easily. We envision a major role for evaluation, technical assistance, and information sharing.

Initially, States will require considerable assistance as they design and implement the changes required under this proposal. As one State or locality finds strategies that work, those lessons ought to be widely shared with others. One of the elements critical to this reform effort has been the lessons learned from the careful evaluations done of earlier programs. Those lessons and the feedback secured during the implementation of these reforms will be used in a formative sense and will guide continuing innovation into the future. We will reserve two percent of the total annual capped entitlement funding for the Secretary of Health and Human Services to be spent on JOBS, WORK, and child care for research, demonstrations, evaluation, and technical assistance. In addition, the level of Federal technical assistance provided to State child support agencies will be expanded to prevent deficiencies before they occur.

CONCLUSION

If welfare reform is to truly succeed, it must accomplish multiple and varied objectives. The current welfare initiative will focus on work, responsibility, family and opportunity, all important principles which are difficult to quantify. However, we are confident that enactment of the Administration's welfare reform proposal will result in positive and tangible impacts. By sending a strong signal that young people should delay childbearing until they are prepared to accept the ensuing responsibilities, we will reduce teen pregnancies and the number of children born out of wedlock. By streamlining the paternity establishment process, more children will have the benefit of knowing who their father is. By significantly strengthening our child support enforcement system and by providing incentives and opportunities for noncustodial parents, we will dramatically increase the amount of support paid to children in this country. By expanding child care provided to working families, allowing States to disregard additional earnings and child support and making the EITC available on a regular basis, we will make work a rational and desirable choice for welfare recipients and those at-risk of going on welfare. By expanding the JOBS program and imposing time limits and work requirements, we will restore the values of work and responsibility within the public assistance system. This will increase the number of custodial parents who enter the labor force and increase earnings for their families. And finally, by streamlining and simplifying government assistance programs, we will eliminate outdated and inefficient bureaucratic rules and improve incentives for recipients and welfare officials alike.

In summary, this proposal does "end welfare as we know it" by dramatically changing the values, expectations and incentives within our current welfare system. Ultimately, this plan is about improving the lives of children and families by encouraging the values of work, responsibility, family and opportunity. Rewarding work and responsibility over welfare will make families stronger and our children and our society better off.



June 30, 1994

WR-1994

NOTE TO THE SECRETARY

Attached are newspaper articles reflecting recent coverage of the Work and Responsibility Act of 1994, as well as a three-page summary of the most important local stories.

These articles generally summarize the main points of the plan, focusing on the themes of teenage pregnancy prevention, the two-year time limit, and the family cap. The proposal is described as a centrist compromise, and most articles comment on the inevitable criticism it will draw from both liberals and conservatives. As expected, most reporters tried to localize the stories with state statistics and reaction. And many local officials sought to associate themselves with the President's plan, claiming that their own local reforms "led the way" for the national effort.

Major points from the articles:

-- Welfare reform will have to wait until next year, while Congress and the President focus on health care. Several articles state that universal health care coverage will be essential in successfully reforming welfare.

--True reform relies on the creation of jobs. Will there be enough private sector employment for low-skilled women?

--Financing the plan by restricting benefits to immigrants may reflect growing anti-immigrant sentiment throughout the nation.

--Child welfare advocates fear that the two-year limit will indirectly harm children. In some states, officials predict increases in foster care cases.

--State flexibility is praised. Several articles draw parallels between current state programs and the Administration's proposed reforms.

We have also attached some quotations from recent national and regional editorials.

Melissa Skolfield
Deputy Assistant Secretary for Public Affairs

ALBUQUERQUE JOURNAL -- The size and cost of New Mexico's back-to-work program could double under the Clinton plan. Most of increases would come from providing child care to mothers returning to school or training for jobs. State officials are also concerned about forcing teen parents to live at home in order to receive benefits and a lack of private-sector jobs.

ATLANTA CONSTITUTION -- As many as one-in-five Georgia welfare recipients would be required to work under the Clinton plan. (25,000 adults fall within the plan's target population.) Georgia's job-training program, PEACH, currently has a waiting list of 40,000 people -- state lawmakers have not allocated enough matching money to acquire the total federal funding available for the project.

BOSTON GLOBE -- The Clinton plan is described as "limited" in terms of child care funding and the number of recipients leaving welfare by the year 2000. Clinton is described as reaching out to both liberals and conservatives. But Governor Weld criticizes the bill as weak, and claims that it may hamper the state's ability to impose a proposed 60-day limit on AFDC.

A GLOBE poll shows that Massachusetts residents support welfare reform but worry that children may be penalized. Ninety-one percent support work requirements, and 70 percent want a two-year limit on benefits for welfare recipients.

CHICAGO TRIBUNE -- Clinton's "middle-of-the road reform" will not "end welfare as we know it," due to its limited funds. Governor Jim Edgar supports the Clinton plan, but believes that the state must be allowed to retain freedom and flexibility. The Chicago-based Public Welfare Coalition fears that there will be a lack of public service jobs for women leaving welfare after two years.

The Illinois Department of Children and Family Services predicts that the Administration's plan could backfire, pushing as many as 200,000 children into the state's child-welfare system. A lack of jobs and slow reforms would move children from poor homes into foster care.

HARTFORD COURANT -- The Clinton plan is an important step in opening the welfare debate. Senator Dodd describes the plan as "the best welfare reform proposal I've seen in my 20 years in Congress." Other state officials point out that Connecticut has already initiated several of Clinton's reforms, including a system enabling working recipients to retain more of their earnings, a pilot project eliminating benefits after two years, and stronger child-support collection measures.

HONOLULU ADVERTISER -- Provides a general overview of the plan. "Liberals tend to oppose the proposed time limit as too severe, while conservatives argue that the Clinton plan does not do enough to discourage illegitimacy."

KANSAS CITY STAR -- Women are concerned about losing health care coverage, child care, and cash benefits when they leave welfare for low-paying jobs.

LANSING STATE JOURNAL -- Michigan officials believe that the Clinton plan will have little effect on the state's current government assistance programs, which already include many of the reforms.

LOS ANGELES TIMES -- Jobs are scarce for "workfare" recipients in Los Angeles County. The program has its highest unemployment rate ever -- nearly 60 percent -- and is struggling to find public service jobs for thousands of people. Unlike the Clinton plan, the county's workfare requirement involves the mostly male population on General Relief and does not include funds for education and training.

MILWAUKEE SENTINEL -- Milwaukee mayor John Norquist praises the Clinton plan, but states that the two-year limit is too long -- "changes should be applied immediately." Norquist also believes that universal health care coverage is essential to welfare reform.

OMAHA WORLD-HERALD -- Governor Nelson believes that Clinton's proposal will make it easier for Nebraska to gain federal approval for similar reforms proposed on the state level. Nebraska will apply for a federal waiver this fall to place a two-year limit on cash benefits. The state's work program will focus more on private sector employment rather than on public sector "make-work" jobs.

OREGONIAN -- Participants in the U.S. Conference of Mayors generally support the Clinton plan, but worry about cost-shifts to cities in financing the proposal. The mayors also express concern over the extension of the "deeming" period for immigrants from three to five years, forcing young mothers to live at home, and the lifetime two-year limit on benefits.

PHILADELPHIA INQUIRER -- The President's plan is a modest start to a huge task. Citing the Manpower study, an article describes small wage increases but limited movement out of welfare for recipients in job training programs. "Those who participate in the job training programs rarely will be paid enough to escape poverty."

SAN FRANCISCO EXAMINER -- The Clinton plan is described as "culture reform." A recent article praises the proposal's focus on work and responsibility, citing the new work requirements and stricter child support enforcement rules.

SEATTLE POST-INTELLIGENCER -- Seattle immigrant and refugee advocates fear that the Clinton plan represents growing anti-immigrant sentiment in the nation. They claim that the proposal will make it harder for legal immigrants to receive benefits, and they call on the administration to help immigrants become citizens by providing language lessons and assistance in navigating the citizenship process.

STATE JOURNAL REGISTER (IL) -- Illinois politicians and social service advocates praise the plan's job training provisions but fear that the two-year time limit may hurt children.

ST. LOUIS POST-DISPATCH -- Missouri officials praise the Clinton plan for its focus on job training programs. But welfare recipients point out a dearth of jobs with decent pay and benefits. Missouri's welfare program already places a two-year limit on benefits and concentrates on job-training and child care.

TALLAHASSEE DEMOCRAT -- President Clinton's plan is centrist, but it still may not gain a majority vote in Congress. Clinton faces a major challenge in building a consensus in Washington, despite the fact that his plan embodies reforms that the American people support.

EDITORIAL RESPONSE TO CLINTON WELFARE PLAN

ARIZONA REPUBLIC: "That the program is roundly criticized by both liberals and conservatives in Congress is an indication that it's not all bad." (6/17)

AUSTIN AMERICAN-STATESMAN: "Clinton's \$9.3 billion plan, an attempt to find a middle-ground among the various proposals, in many instances may be sacrificing reality for political expediency." (6/15)

BALTIMORE SUN: "The [administration] deserves credit for trying." (6/16)

BUFFALO NEWS: "As a framework for changing the way both recipients and taxpayers view welfare, Clinton's plan is solid." (6/16)

CHICAGO TRIBUNE: "As desirable as speed is in such matters, direction is even more important, and the president seems to have adopted the right heading." (6/16)

CLEVELAND PLAIN-DEALER: "Clinton's plan should provide a basis for discussion, rather than an end-point." (6/19)

DENVER POST: "Clinton's welfare reform proposal comes closer to 'relabeling welfare as we know it' than his campaign pledge to 'end welfare as we know it'" (6/19)

DETROIT FREE PRESS: "The limited nature of the president's proposal suggests that comprehensive, hands-on welfare reform may have to come from the states." (6/16)

FT. LAUDERDALE SUN-SENTINEL: "Clinton took just a small step toward welfare reform, but in a bold and promising new direction." (6/16)

FT. WORTH STAR-TELEGRAM: "As with health care reform, the president's real contribution on welfare reform is to move the issue from an academic discussion to the reality of political and legislative debate and compromise." (6/15)

HARTFORD COURANT: "Even if his plan is not as sweeping as he once promised, Mr. Clinton deserves credit for trying to change a welfare system that rewards people for not working and is an incentive for them to have children out of wedlock." (6/16)

HOUSTON CHRONICLE: "There is less than meets the eye in President Clinton's much self-touted and now revealed plan." (6/16)

INDIANAPOLIS NEWS: "Clinton appears to recognize that no reform of the welfare system will work absent a reform of individual values. He also understands that government alone cannot solve the underlying problems that are making welfare so intractable in this country. That awareness may be more important than any single provision of the package." (6/20)

KANSAS CITY STAR: "Welfare reform is easier said than done. Ask a long line of national reformers who tried, including Ronald Reagan. If their plans had worked, President Clinton wouldn't have gotten so much mileage from his campaign pledge to 'end welfare as we know it.'" (6/14)

L.A. DAILY NEWS: "Even if Clinton's plan were a lot more ambitious in its requirements and incentives, it would not amount to much in practice if government cannot overcome the pressure to treat welfare as an entitlement." (6/16)

LOUISVILLE COURIER-JOURNAL: "Welfare reform is now solidly on the public agenda." (6/19)

MEMPHIS COMMERCIAL APPEAL: "Welfare reform should be fully explored in the states ... Clinton's promise isn't worth the replacement of one huge problem with another that has its own array of frustrations, excessive costs and unintended consequences." (6/19)

MILWAUKEE JOURNAL: "What President Clinton is delivering is an important first step towards a drastically new, work-oriented system for aiding the needy." (6/19)

NEWSDAY: "Give [him] credit for leading the charge." (6/16)

NORFOLK VIRGINIAN-PILOT: "The president had an opportunity to boldly challenge the conventional wisdom in Washington and really be the 'new Democrat' he claimed he was in the campaign. Unfortunately, he threw it away." (6/17)

N.Y. DAILY NEWS: "There are real questions about whether Clinton's heart is in his plan." (6/17)

DAILY OKLAHOMAN: "Not only does it not end this costly social program, it enlarges it." (6/22)

PHILADELPHIA INQUIRER: "Candidate Clinton voiced a grand, progressive goal of bolstering work and family for the nation's poor. President Clinton's action is, sadly, far more limited." (6/16)

PITTSBURGH POST-GAZETTE: "The president has put forth a generally reasonable alternative to the current system ... But his heart and his energies will remain focused in the near term on health care. That is probably the key to welfare

reform anyway." (6/17)

SAN DIEGO UNION-TRIBUNE: "For all the buildup, President Clinton's long-awaited welfare reform plan is less than expected." (6/17)

S.F. CHRONICLE: "The president's first task in reforming welfare will be to explain to the public why it must cost an additional \$9.3 billion to 'end welfare as we know it.'" (6/16)

SALT LAKE TRIBUNE: "The Clinton plan is based on a fundamentally laudable principle: to reduce the absurd disincentives that currently exist in the welfare system." (6/17)

SIOUX FALLS ARGUS LEADER: "Say what you will about the merit of President Clinton's proposals, he's not a caretaker. Overall, that's a plus." (6/16)

TULSA WORLD: "Clinton's welfare reform plan has some popular proposals, but it bogs down on the age-old question of 'who pays?'" (6/15)

U.S. NEWS: "Clinton's welfare plan speaks to the idea of individual responsibility, though not as forcefully as it should." (6/27)

WASHINGTON POST: "A solid start on welfare reform." (6/16)

WISCONSIN STATE JOURNAL: "The plan's shortcomings say more about how complex the American welfare problem is than about how wrongheaded the president is." (6/21)

ALBUQUERQUE JOURNAL (NM) 6-18-94

Welfare Reform Could Cost N.M.

By Jackie Jadrnak

JOURNAL CAPITOL BUREAU

SANTA FE — The size and cost of New Mexico's \$7.1 million back-to-work program could double if President Clinton's welfare reform plan becomes law, according to a state official.

Bill Dunbar, director of the state's Income Support Division, said a lot of the cost would come in providing child care to mothers who are going back to school or getting job training.

Overall, though, New Mexico already is doing a lot of the things Clinton proposed this week, but Dunbar said he wasn't sure what it would cost to do all of them.

A legislative subcommittee and a study group open to the public will study welfare reform over the summer and recommend what other changes the state might want to make, he said. That group probably will look at a state option to eliminate benefit increases for women who have babies while receiving welfare benefits, he added.

A major focus of Clinton's plan is to get welfare recipients back into the job market.

Right now, about 11,000 of the state's 32,000 households receiving Aid to Families with Dependent Children are enrolled in Project Forward, Dunbar said. That program puts people in education programs, subsidized public or private employment, or job search programs, he said.

New Mexico doesn't require participation from mothers who have children younger than 3 years old, though, and it appears Clinton's plan would require women to take part regardless of the age of their children, he said. That change could double the size of the program, he said.

Another proposed change could cut off benefits to about 200 New Mexico teens with children who live on their own, Dunbar said. Clinton's plan says minors with babies could not receive welfare unless they are living with their parents or in some

sort of residential shelter.

Dunbar said he doesn't know how many New Mexicans would be affected by a proposal to cut off benefits after two years for women born after 1971. If those women get good training and child care, though, the state should be successful in getting them back in the job market, he said.

The problem with this type of welfare reform is to find meaningful work for people in the private sector, said Myra Segal, who moved to Albuquerque this year after heading a Minnesota welfare reform project.

"You're going to need money and real creative and skilled managers and administrators," she said. "It's going to be real expensive."

If people don't get into a good job after the two-year limit, they'll simply show up elsewhere in the social service system, such as homeless shelters or food lines, she said.

Minnesota's program, which just got rolling in April, tries to make work more financially rewarding than welfare by continuing grants, medical care and child care for people who make up to 150 percent of the federal poverty level, according to Segal.

A subcommittee of the Legislature's Health and Human Services Committee will study welfare reform this summer, getting advice from a study group including members of the public, said Sen. Elizabeth Stefania, D-Madrid, chairwoman of the committee. Stefania invited people to contact her if they want to get involved with the study group.

"There's still a lot of freedom to do things in the states," she said.

Stefania expressed some concerns about Clinton's plan. It could be tough to recruit enough private employers to find positions for welfare recipients, she said. Also, she said she isn't sure it makes sense to force teen parents to live with their own parents in order to get benefits.

WELFARE IN GEORGIA

Plan would require 25,000 to work

Atlanta
Constitutional

By Frances Schwartzkopf
AFF WRITER

As many as one in five Georgia adults on welfare for two years would be required to work under long-awaited welfare reform proposals announced Tuesday by President Clinton.

About 25,000 of the 115,539 Georgia adults on welfare are part of Clinton's target population of young parents, according to the Georgia Department of Human Resources, which administers the welfare program, Aid to Families with Dependent Children.

Unless those recipients qualify for a shrinking number of exemptions, they'll be the first group affected by the cornerstone of Clinton's welfare reform package: a time limit on cash assistance and a mandatory work requirement.

"Today we have to restore faith in the beginning in certain basic principles that our forebears took for granted: the bond of family, the virtue of community, the glory of work," Clinton said at a luncheon in Kansas City, Mo., where the late President Harry Truman once worked as a clerk.

The five-year, \$9.3 billion proposal seeks to transform the welfare system from one that merely writes checks into a program that fosters independence by putting others to work, requiring fathers to support their children financially and discouraging teenagers from having babies.

The program would be phased in, beginning with young adults. About \$1.2 billion would finance the mandatory work program, and \$4.2 billion would pay for child care for the working poor and for welfare recipients the mandatory education and training program and in the jobs.

Another \$2.8 billion would go towards expanding states' programs to educate, train and place welfare recipients in jobs.

More than 15,000 people were enrolled in April in Georgia's program, called PEACH, which has a waiting list of more than 40,000 people.

But the state hasn't been able to use all the federal funding available for PEACH, because lawmakers have not allocated

enough matching money. There is a \$5.6 million shortfall in state funding for the 1994 fiscal year, which ends June 30, and a \$2 million shortfall for 1995, according to state officials.

It isn't known how much money Georgia would see from the Clinton package to reform welfare.

The Associated Press contributed to this article.



Associated P

President Clinton outlines his plans to reform the welfare system as he speaks Tuesday at the Commerce Bank in Kansas City, Mo., beneath a photograph of a former welfare recipient who was helped by a Missouri training program.

Clinton unveils welfare reform proposal

Clinton offers limited plan on welfare reform

By Michael Kranish
GLOBE STAFF

KANSAS CITY, Mo. — President Clinton unveiled his welfare reform plan here yesterday, a limited proposal that would leave at least 80 percent of recipients on public assistance in the year 2000 and that contains only half as much money for child care as originally suggested, presidential aides said.

With most details previously made public, Clinton outlined the program without providing new specifics. Instead, in a campaign-like speech, he repeated his favorite positions about welfare and renewed his call for a reduction in the number of births by unwed mothers.

In a bow to conservatives, Clinton proposed a "paternity establishment program" that would try to determine the father of a child born to unwed mothers on welfare and to track down "deadbeat dads." The program seeks to double current child support collections from \$9 billion to \$20 billion in six years.

"We have a big welfare problem because the rate of children born out of wedlock ... is going up dramatically," Clinton said. "At the rate we're going, unless we reverse it, within 10 years more than half of our children will be born in homes where there has never been a marriage."

The key element of Clinton's plan is to force people off welfare and into a job after two years. However, a shortage of funds forced him to modify that requirement, allowing welfare recipients to remain on the dole indefinitely if no private or public job is available.

The president, indicating his eagerness to avoid a fight over the issue, reached out to the GOP yesterday, saying, "This ought to be a bipartisan issue ... I don't care who gets the credit for this if we can rebuild American families."

But in Washington, some Republicans reacted harshly, calling the plan half-hearted, while some Democrats and a large coalition of advocacy groups decried it for punishing the poor and their children. Political analysts say the plan has little chance of passage this year.

"It's like diagnosing a patient with a terminal disease and prescribing ... aspirin," said Rep. James Talent, a Missouri Republican who co-sponsored an alternative reform plan that creates stricter work requirements, ends benefits to unwed mothers under 21 and establishes an employment voucher system.

In Massachusetts, Gov. Weld has sought a federal waiver to impose a 60-day limit on Aid to Families with Dependent Children. "Not only does President Clinton's plan apparently not end welfare as we know it but it appears that he's going to make it impossible for states to end welfare as we know it," said Weld. "Now, my concern is that may displace the ability of states to try the 60-day approach." Meanwhile, Sens. Kit Bond, a Missouri Republican, and Tom Harkin, an Iowa Democrat, released a bipartisan alternative plan that

omits the prospect of government jobs. Harkin said he was "sorely disappointed" by Clinton's plan, which he described as an anachronistic, "New Deal" approach.

The program has much less money for child care than originally envisioned. Clinton's aides once proposed spending \$3.5 billion for child care support for people who leave welfare and get a job. The plan outlined yesterday proposes spending \$1.5 billion.

The child care cutback became necessary when Clinton decided

against using new taxes to pay for the welfare proposal and to finance it largely by trimming other programs.

Under the plan, welfare recipients born before 1971 — about one-third of the current caseload — are exempt from the requirements to get off public assistance after two years. But because of various exemptions, half of welfare recipients in the year 2000 will not be affected.

Contributing reporter Heather Bruce assisted from Washington in this report. Doris Sue Wang of the Globe staff contributed from Boston.

BOSTON SUNDAY GLOBE
6/19/94

THE PEOPLE'S

The typical welfare family in Massachusetts consists of an unmarried woman with two children. There are currently 109,000 Massachusetts families on welfare, at a cost to state taxpayers of \$725 million per year for cash grants, Medicaid coverage and job training programs. Welfare families in public or subsidized housing receive a grant of \$539 per month, while those in private housing get \$579 a month. Each family also receives \$220 a month in food stamps - paid by the federal government - and \$5,000 per year in medical services covered by the federal-state Medicaid program.

WELFARE



“In the long term you should change the idea that the government is there to hand money over to people in the form of food stamps or whatever the case may be. I think that each individual in the country should provide for themselves and, if they can't, hopefully they have a family or they can use private support structures.”

CHARLES MURLEY, 26, SAUGUS

* * *

“Your version is that the welfare system is giving me something. I don't feel that they are giving me something. They are degrading me. I am degraded by the social workers who I have to go through to fill those papers out. When my food stamps don't come, they say, 'So what. What do you want from me?'”

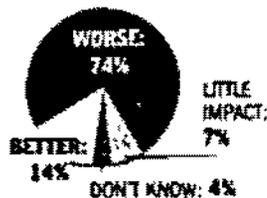


KIM BELDO, 31, LYNN

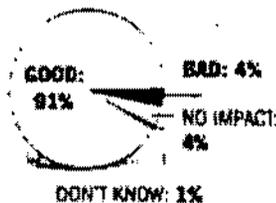
* * *

THE VOTERS ON WELFARE

Does welfare make things better by helping people unable to support themselves or worse by making able-bodied people too dependent on government aid?



Is it a good idea or bad idea to require all people on welfare to do some kind of work?



Is it a good idea or bad idea to impose penalties on women who bear children while receiving welfare?



NOTE: Poll of 400 Massachusetts residents conducted by KRC Associates of Newton from May 20-23 for the Boston Globe, WBUR-FM and WBZ-TV. The poll has a margin of error of ± 5 percentage points.

THE CANDIDATES ON WELFARE

★ US SENATOR

US Sen. Edward M. Kennedy, Democrat



■ Supports principles of Clinton welfare reform proposal, including requiring mothers 25 years old or younger to work in public service jobs if they do not find work after two years. Supports refusing to provide benefits to minors living away from their parents or a responsible adult, and denying benefits to those who refuse to stay in school or a job-training program, look for work or accept a job offer. Also would guarantee child

care for one year to those who leave welfare and find a job. Backs child care for recipients in training programs. Opposes reducing benefits for recipients who have additional children on welfare.

John Laklan, Republican



■ Supports requiring recipients without dependents under the age of 18 to work or be enrolled in training programs. Would reduce benefits of recipients whose children did not attend school. Favors denying additional benefits to recipients who have additional children. Supports random drug testing of welfare recipients. Favors allowing welfare recipients to earn some income and continue to be eligible for their benefits. Backs incentives

for teen-age welfare recipients to stay in school. Favors eliminating housing allowance for minors with children to encourage them to live with their parents. Favors eliminating benefits after two years.

Mitt Romney, Republican



■ Favors requiring able-bodied adults without preschool dependents to find part-time employment, job training, charity work or a public-sector position. Would cut cash benefits by 10 percent after two years. Favors providing tax credits to businesses that hire and train recipients. Would cut benefits of recipients whose children have repeated incidents of truancy. Backs mandatory drug testing for recipients and mandatory drug treatment for those who test positive. Would deny benefits to illegal aliens. Opposes providing additional cash benefits if recipients have additional children.

★ GOVERNOR

Gov. William F. Weld, Republican



■ Wants Aid to Families with Dependent Children replaced with "Employment Support Program," which would take the welfare checks going to half the state's AFDC families and use the money for day care, health care and job training to allow recipients to work. Administration says shift will create 10,000 new jobs in day care and information about another 14,000 would be available at welfare and unemployment offices. Other recipients able to work, about 20,000, would have to take community service jobs. The disabled, those caring for a disabled relative, teen-age mothers attending high school full time, pregnant women in their third trimester and mothers with children under the age of 4 months would continue to receive their welfare checks. Also favors denying additional benefits to recipients who have additional children.

Sen. Michael Barrett, Democrat



■ Favors allowing welfare grant to be used as a wage subsidy to encourage employers to hire welfare recipients. Would promote programs to encourage teen-agers to avoid sexual activity. Favors requiring teen-age welfare mothers to obtain a high school diploma. Would require mothers to identify fathers as condition for receiving welfare. Would restructure welfare offices to emphasize job placement. Opposes reducing benefits for recipients who have additional children. Would limit benefits to two years.

George Bachrach, Democrat



■ Favors providing subsidies to businesses to encourage them to hire welfare recipients. Would provide transportation allowances to enable AFDC parents to get to work. Opposes cutting off benefits to recipients after a certain time period, saying a cut-off would punish children. Favors providing child care for AFDC recipients participating in employment training programs and for all low-income working families based on ability to pay. Opposes reducing benefits for recipients who have additional children.

Rep. Mark Roosevelt, Democrat



■ Proposes "New Social Compact" between state and welfare recipients, laying out obligations and responsibilities which may include looking for a job or community service. Would offer education and training programs and incentives to work. Would deny an increase in benefits if recipient has more children, but would allow child to have Medicaid and food stamp coverage. Would continue to provide benefits such as Medicaid and child care when recipient gets a job. Would require recipients to find a job in one year. Would require all recipients of child-bearing age to participate in family-planning classes and teen-age parents would be required to attend parenting classes.

The
People's
Voice

What you think matters. Today, the Globe, in cooperation with WBZ-TV and WBUR-FM, continues a series of reports on issues that Massachusetts voters want candidates to address in this year's elections.

Voters demand welfare reform

By Don Aucoin
GLOBE STAFF

Do something.

That is the public's curt, no-nonsense message on welfare to elected officials on Beacon Hill and Capitol Hill.

"Politicians, please. Reform the welfare system. Quit kicking the issue around," urged Clifford Davis Jr. of Dorchester. "It's not that difficult. They put a man on the moon. I don't think solving welfare is more difficult than that."

Davis' exasperation with the welfare status quo and his insistence on immediate change were echoed by others last week in a focus group and by many respondents to a poll by the Globe, WBZ-TV and WBUR-FM.

Along with that impatience, though, is deep concern that children on welfare not be penalized for their parents' bad luck or bad choices.

But, in general, Massachusetts residents seem to view welfare as a cauldron of unintended consequences, a runaway vehicle that has veered far from its original goal of aiding families in crisis.

Today, according to 74 percent of poll respondents, welfare has degenerated into a system that encourages many recipients to become dependent on government aid. Consequently, 91 percent want all welfare recipients forced to do some kind of work, and 70 percent want a two-year limit on welfare benefits.

Perhaps no issue raises the temperature in a room more quickly than welfare. That was evident when a welfare mother and a taxpayer went eyeball-to-eyeball in the focus group.

Charles Murley of Saugus, who works in retail sales, confronted Kim Beldo of Lynn, a mother of five who is trying to find work as a medical secretary after spending a total of five years on welfare, including the past two years.

"In the long term, it's not the government's place to provide you with a handout to feed yourself," Murley told Beldo.

Beldo shot back: "You are one of those people in that little ivory tower ... You don't see the whole picture. Your version is that the welfare system is giving me something. I don't feel that they are giving me something; they are degrading me."

"I am degraded by the social workers who I have to go through to fill those papers out," Beldo added. "When my food stamps don't come, they say: 'So what? What do you want from me?' When I say I need day care, they say, 'Well, this is what we are going to give you. If that isn't enough, well that is too bad.'"

Murley stood his ground. "I don't think the government should be handing you cash. There are private organizations ... You could go there and you won't go a whole day without food."

Murley and Beldo also sparred over the issue of having children while on welfare.

Murley, who favors ending welfare after a set period of time, said: "If you set down a date that says you won't have financial support from the government, maybe some people will make a decision not to have those children."

But Beldo, who had her five children with four different men, countered: "I believe that man doesn't give life. I don't give life. God gives life, and therefore that child was planned. The Bible tells me that I shouldn't kill that child."

Murley: "You're right, you shouldn't, but if you get down to it, if you don't have sex, you can't get pregnant."

Beldo said that was not a realistic argument, saying: "If you don't have sex then you won't get AIDS, and look how many people are dropping left and right from AIDS."

Beldo insisted that Murley and the others could not comprehend her struggle to find a job that will support her family and provide health coverage, or the challenge of navigating the welfare bureaucracy.

But she agreed with them that the current welfare system encourages unwed motherhood and long-term dependency.

Welfare "does break down the family unit a lot of times," Beldo said. "A lot of our problem children are coming from single-family homes, with mothers who are on welfare."

"There's a lot of babies having babies," she added. "And once you're on welfare, it's really easy to get caught up."

Last week, the political establishment from Washington to Boston got caught up in the welfare reform debate.

President Clinton unveiled a bill that would force recipients off welfare after two years, but only if a job is available — which could leave 80 percent of recipients on the rolls in the year 2000. Meanwhile, the Massachusetts Senate and House are at odds over measures to cut benefits and the benefit increases for women who have more children while on welfare.

Watching closely from the sidelines is Gov. Weld, whose bill to replace cash benefits to welfare recipients with child care and health insurance has gone nowhere on Beacon Hill. That proposal was viewed favorably by 86 percent of poll respondents.

A growing frustration, a lingering concern

During a wide-ranging discussion by the focus group at WBZ last week, a variety of ideas bubbled up: low-cost education for adults so they won't find themselves unequipped for the working world; ending immigrants' eligibility for welfare benefits; immediately kicking off the rolls any welfare cheats; and long-term day care for welfare recipients who want to work.

Davis said welfare rules should be rewritten to greatly restrict who is eligible for welfare and to spell out actions recipients must take to get off.

"This would alleviate ... the frustration that I have in paying all of this money for welfare, and for these people that I don't think need and deserve it," he said.

But beneath public wrath about adults on welfare and a desire to "crack down" on them are strong fears about the well-being of children if such crackdowns take place.

For example, asked what she would like to see changed about the welfare system, Christine Crompton, a student and waitress in Rutland, at first said she would "like to get rid of it."

"The welfare system was implemented to provide services for people who need it," she said. "But today, the system is being abused."

But in the next breath Crompton said she is worried about harm to children if welfare families were forced off public assistance after two years, whether the parent has found a job or not.

"If that child is not going to be able to be fed, that's crazy," she said.

Fears that a 'poison' debilitates recipients

That ambivalence about welfare reform once children are factored into the equation also showed up in a different issue in the poll.

Asked whether they supported denying extra benefits for children born on welfare, a majority said yes, but by a far smaller margin than every other question.

Of those who responded, 55 percent said they believed it was a good idea, 28 percent said they thought it was a bad idea, and 10 percent said they believed it would have no impact on the system.

In further evidence that public sympathy for the poor has not been entirely drained, 90 percent of respondents said they favor implementing new programs to provide job training for welfare recipients.

Richard Yacubian, an accountant who lives in Belmont, said he would support a tax increase to fund improvements in the welfare system. "You only get what you pay for," said Yacubian, adding: "I don't want any politician telling me that we don't need taxes. I want to hear the truth."

But, overall, it is clear that the current welfare system has lost public confidence and support.

"It's a poison," Davis said flatly. "It destroys one's pride, it removes your ambition, it gets into your blood and into your mind, and you pass it on to your children."

To a focus group that listened intently and with varying degrees of sympathy, Beldo offered a narrative of her travels within the welfare system.

She recounted how her mother was on welfare for 18 years before attending college at age 40 and becoming a teacher. She alluded to a youthful battle with drugs, and told how she became pregnant after graduating from Boston Latin Academy.

"I had no self-love or esteem, and I thought this baby was going to love me," said Beldo. "If someone had stepped in and intervened at that point and said, 'Well, here we are offering this counseling, here is somebody you can talk to,' you could have got somebody who could help me believe in myself."

"I had to go through a whole line of tragedy to get to the point where I was able to help myself," she added. "It took me six years and four more children."

But the jobs didn't last. First, the company she worked for relocated to New Hampshire. Then, she said, a Wendy's restaurant where she landed a job did not provide health insurance for her or her children and could not guarantee her enough hours each week to make ends meet. Back onto welfare she went.

"I'm not saying that welfare is all that much better, but at least I know exactly what's coming in and I know what I have to work with in order to feed my children," said Beldo.

...

Worries over passing the welfare life along

Beldo said she would "without a doubt" take a job that guaranteed her 40 hours a week, but answered no when asked if she would take a job that paid \$5 an hour. "\$5 an hour would not support myself and my family," she said.

According to Beldo, the path back to the workplace has been rocky. When she completed a job-training program recently, Beldo said, her state-subsidized day care for her children was cut from 40 hours to 20 hours, making it harder for her to apply for full-time jobs.

But Davis was not persuaded that the obstacles facing Beldo were insurmountable. To her complaints about an unhelpful bureaucracy, he responded by touting the virtues of self-sufficiency and personal responsibility.

Davis said that when he came to Massachusetts from Alabama years ago, "terrified" about finding a job, people told him: "Oh, you don't have to worry, if you're in Massachusetts you can go on welfare."

He found the idea repugnant. He still still does.

"If my son or daughter was healthy and everything and said they were going to go on welfare, I would absolutely go berserk," said Davis.

Ironically, Beldo seems to feel the same way. She said she is determined to find a job, in large part because she does not want her children to fall into the same traps that snared her.

"My biggest determination is because I have a little girl, who I don't want to think that a woman's place is to lay home and have babies and do nothing," she said. "I want her to know that she has more opportunities, and the best way ... is to show her."

Clinton welfare plan assailed by left, right

By Michael Kranish
GLOBE STAFF

WASHINGTON — More than two years after pledging in his campaign to "end welfare as we know it," President Clinton plans to introduce a welfare reform proposal today that already has come under attack from liberals and conservatives alike.

The plan, which is given little chance of passage this year, requires that welfare recipients be removed from the rolls after

two years — but only if a job is available. If a private-sector job cannot be found, the government could provide work or allow recipients to stay on the dole. The plan also calls for stricter enforcement of child-support payments and discourages women on welfare from having more children.

The proposal, which had been scheduled to cost \$15 billion, financed in part by tax increases, has been reduced to \$9.3 billion, with the money coming mostly from cuts in other programs. The original con-

cept of providing 1.3 million public-sector jobs has been reduced to 400,000 jobs over a six-year period.

As a result, Clinton's proposal remains a major costly program, but one not likely to yield the kind of sweeping results he once envisioned.

"It would be better if we could do more, but this will still help," the president said last week. Asked in an interview with US News & World Report about Sen. Daniel

Patrick Moynihan's criticism that an earlier version of the proposal was "booh bait for Bubbas," Clinton responded: "This is something the Bubbas of America and the liberals can get together on."

Yesterday, in a satellite hookup to the US Conference of Mayors in Portland, Ore., Clinton answered urban critics who said that cities under his plan might have to take care of those dropped eventually from welfare rolls. Clinton said: "If you can find something better, I'll be glad to talk to you about it. Have at it, and see what you can come up with."

The program was outlined by various officials yesterday, with the details to be released today. But gauging by the preliminary reaction, Clinton has not satisfied either conservatives, who want to be tougher on recipients, or liberals, who said the plan would victimize the children of mothers forced to leave home and take low-paying jobs.

Congressional analysts said the program has little chance of passage this year, considering the current emphasis on health care, and it is unlikely to be approved at all unless significantly rewritten.

Formal introduction

As a result, when the president formally unveils his plan today in Kansas City, it is expected to be a scaled-down program that, in the worst-case scenario described by Republicans, still could leave 92 percent of welfare families on the dole in the year 2000.

"What Clinton discovered in this debate is it costs so much more money to give indigent people help in the form of a paycheck than it does with a welfare check," said Gary Burtless, an economist who worked on welfare reform during the Carter administration.

Burtless stressed that he nonetheless supports the more expensive option of providing a paycheck because it comes packaged with work and responsibility. But he said that even if Clinton's proposal is approved, it would be years before the public saw an appreciable change in the welfare system.

Still, Clinton's aides and allies hope that the plan's unveiling will give him a boost with the moderate "New Democratic" constituency that helped elect him. The discussion over specifics notwithstanding, White House officials say Clinton will have moved the overall debate about welfare from writing checks to placing people in jobs.

"Welfare reform gets him back on the 'New Democratic' track that will help him," said Will Marshall, president of the Progressive Policy Institute, a bastion of New Democrat ideology.

But Marshall was pessimistic about the chances for quick action on welfare reform. "Health care is the boulder in the road," he said. "If you can't move it, you can't do welfare."

The crux of Clinton's welfare proposal during the campaign was that people would be forced off the rolls in two years if they did not get a job. Under the new approach, a person would lose welfare benefits only if he or she refused to accept an available job.

During the campaign, this was not a major issue because Clinton said he would provide public jobs if private ones were unavailable. But given the cost, Clinton has backed off that idea. The president now says he has enough money to provide public jobs for 400,000 people by the year 2000, or 8 percent of the 5 million people currently on welfare.

About a third — those born before 1971 — would be exempted from the program, meaning that some older recipients could remain on the dole for years.

That is still too tough a provision for some liberals, who fear it will still result in poor mothers being forced into low-paying jobs that do not earn them enough money to care for their children.

"If the federal government has \$9 billion to spend on welfare reform, this is not the best way to spend those limited resources," said Mark Greenberg, an attorney with the Center for Law and Social Policy, an advocacy group for welfare recipients.

Some Republicans, meanwhile, are trying to outdo Clinton's plan by putting forward a proposal that is tougher on those who remain on welfare but more generous to those who get off it. In a twist, a bill cosponsored by 165 Republicans proposes spending enough money for at least 750,000 jobs, compared to the 400,000 Clinton proposed.

Rep. Richard Santorum of Pennsylvania, the author of the GOP proposal, said in a telephone interview that the president's program does not go nearly far enough. Santorum said his program would cost \$12 billion and save an additional \$21 billion, compared to Clinton's \$9.3 billion effort.

GOP effort

The Republican bill goes much farther than the White House measure, for example, by implementing a host of tough sanctions against welfare recipients who have babies

out of wedlock. Santorum does not exempt those born before 1971. The White House dismissed some of the ideas now contained in the Republican plan as Draconian but has indicated a willingness to negotiate.

"Clinton is writing off a whole generation of welfare recipients who could benefit from work," Santorum said. "And we propose that once you are on welfare, you don't get any additional money if you have another baby. No money for having kids. Clinton just kind of dances around that issue."

2 in House press Mass. welfare waiver

WASHINGTON - The two Massachusetts Republicans in Congress yesterday asked the Clinton administration to quickly approve a waiver to permit Gov. Weid to enact welfare reforms, including a 60-day limit on AFDC benefits.

The request, by Rep. Peter I. Biute and Rep. Peter G. Torkildsen, countered opposition to Weid's plan from six Massachusetts Democrats, including both senators - Edward M. Kennedy and John F. Kerry - and four members of the House: Barney Frank, Gerry E. Studds, Richard E. Neal and John W. Oliver.

Biute and Torkildsen asked Health and Human Services Secretary Donna Shalala to recall Clinton's pledge to give states "more elbow room to experiment" in ending "welfare as we know it."

- BOB HOHLER

Welfare reform highlights

Following are the outlines of the reorganization that Clinton is expected to propose today:

- ☛ Two-year limit on welfare benefits, but numerous exceptions allowed.
- ☛ Education, retaining funds available.
- ☛ Public-sector jobs provided to 400,000 welfare recipients by the year 2000 (out of 5 million current recipients).
- ☛ New efforts to reduce out-of-wedlock births.
- ☛ Some recipients taken off welfare roles if they refuse an available job.
- ☛ Program instituted to collect support payments from "deadbeat dads."
- ☛ Some rules affect only those born after 1971, on a phased-in basis.

Mayors Detail Concerns On Welfare Reform Plan

By Sonya Ross
Associated Press

PORTLAND, Ore.—The Clinton administration sought Sunday to soothe concerns about its welfare reform package raised by big-city mayors who say it would shift the total burden of caring for the poor to them.

The U.S. Conference of Mayors outlined "areas of concern" in Clinton's \$9.3 billion plan in a resolution to be voted on during its annual meeting in Portland.

The mayors objected to cuts in entitlement programs and the treatment of community service jobs that could put welfare recipients to work. But they said they support Clinton's overall plan because it is "generally consistent" with their own previous proposals.

In an opening address Sunday, Health and Human Services Secretary Donna Shalala told about 200 mayors that she anticipates great input from local officials as the plan moves through Congress. The administration plans to unveil the details Tuesday.

"We want mayors to play a major

role," Shalala said. "We are particularly mindful of the perspective you offer as representatives of many of this nation's low-income people."

Housing Secretary Henry Cisneros also attended and announced a new program, Safe Neighborhood Action Plan, that would attack violent crime in federally assisted housing complexes much like another program, Operation Safe Home, does in public housing.

"Many times, the crime conditions in this form of assisted housing are worse than they are in public housing," Cisneros said. "We're putting this together because the cities asked for it."

The program will operate in 12 cities: Atlanta; Baltimore; Boston; Columbus, Ohio; Denver; Detroit; Houston; Los Angeles; Newark, N.J.; New Orleans; Philadelphia and Washington. Cisneros did not provide specifics on the plan.

On welfare, the mayors oppose two key aspects of Clinton's plan: a cap on family size and a two-year lifetime limit on Aid to Families With Dependent Children.

"There are some people who will never, never be in a position where they can work. They need help, no question about it," said San Francisco Mayor Frank Jordan. "We have to come up with a better solution there for the long term."

San Francisco spends about \$50 million each year on general assistance for about 15,000 people, Jordan said. If welfare recipients are cut off after two years, "then the local entities are going to wind up inheriting the problem," he said.

"I want to see the federal government look at what kind of work programs they are going to provide," Jordan said.

Shalala said the administration is willing to work with mayors on job programs, but is firm on the family caps and benefit cutoffs.

The mayors said they want Clinton to move welfare recipients into community service jobs through the current framework of training programs and education and support services.

"Community service jobs should be seen as important jobs, not like a last resort," the resolution said.

Clinton unveils plan to shrink welfare

By Carol Iuzzella
Times Staff Writer

WASHINGTON—Some Republicans have proposed shrinking or abolishing welfare. Some Democrats think the government should do more to help recipients.

President Clinton offered a middle-ground approach Tuesday, unveiling a long-awaited, \$1.2 billion welfare package that would put a two-year time limit on cash welfare benefits, something he proposed to do in his campaign.

Clinton's "new Democrat" solution insists that able-bodied aid recipients move off welfare rolls and into the work force. But it also tries to ease the transition through increased spending on

training, child care and job-placement programs.

For cost reasons, the plan for revamping the \$23 billion welfare system is much more limited in scale than the White House envisioned. The plan won't "end welfare as we know it," as Clinton once pledged to do, but initially will affect only a portion of the 5 million households on Aid to Families with Dependent Children whose recipients turn after 1971.

The plan would be paid for through cuts in other social programs. The biggest savings, \$1.7 billion over five years, would come from tightening aid rules for immigrants, especially those whose U.S. sponsors can support them.

The White House proposed a cap on state spending in the AFDC emergency assistance program, saving \$1.6 billion. And the corporate Superfund tax would be extended, providing another \$1.6 billion.

While other efforts to revamp the welfare system have failed, Clinton said he believed his would succeed because it requires more responsibility from aid recipients in exchange for more support services. He said that universal health care was a cornerstone of the plan to make work more attractive than welfare.

"I really believe we have a chance, finally, to replace dependence with independence," Clinton said.

Announcing the plan in Kansas City, Mo., Clinton predicted that 1 million welfare recipients will have moved into the labor force by the year 2001.

The plan is expected to be sent later this month to Capitol Hill, where other welfare reform bills, including several that are similar to the White House plan, are pending. But with health care dominating the agenda, Congress is unlikely to act on welfare before next year.

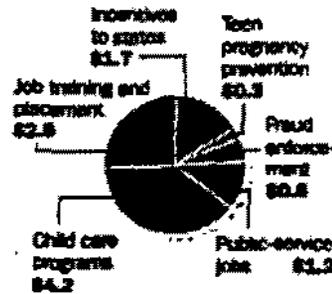
The changes proposed in the 60-year-old Aid to Families with Dependent Children program reflects

A paycheck, not a welfare check

Plans for reforming the nation's welfare system would encourage participants to get training and education to be able to enter the work force. The plan would affect many families who receive Aid to Families with Dependent Children (AFDC) payments, although other welfare program would have eligibility requirements tightened.

Cost for the plan

Projected 5-year expenditures, in billions of dollars, before any savings from fraud- and caseload-reductions.



Source: House panel, Office of Management and Budget



Education/job training programs would help welfare recipients become "job-ready."



2-year limit on benefits, then work. After two years, recipients must take public works jobs.



Making fathers pay. Fathers would be made to pay support for their children.



Work incentives. Tax incentives to help low-income workers.

Design: Illustration Master



AP Press

President Clinton, accompanied by Vice President Al Gore, details the welfare reform plan during a news conference Tuesday in Kansas City, Mo. McGee, formerly an welfare, now works for a Kansas City bank.

growing public frustration over the dramatic increase in out-of-wedlock births. They also mirror society's changing attitudes on the role of women, who head the vast majority of welfare households and now are expected to balance

work and family duties.

If after two years, a private-sector job isn't available, a minimum-wage, community service job would be provided. But holders of those public jobs would be required to return to the private

labor market to look for work after 18 months.

Those who refused to participate in education programs or refused to work would lose their welfare checks. Exceptions to the work requirement would be made for mothers with disabilities, infants under 1 year or disabled children. But even some of those exceptions would be limited.

The proposal also attempts to separate personal responsibility by imposing provisions for controlling child support.

Hospitals would be required to establish paternity at birth. A mother who refuses to identify or find her child's father would risk losing her aid check.

Deadbeat dads would face the loss of their drivers' or occupational licenses. A national clearinghouse would be established to catch parents who flee across state lines to avoid support payments.

A national campaign against teen pregnancy would encourage young people to delay child-bearing until they reach a more responsible age.

States, some of which have been aggressive in trying various reform experiments, would be given flexibility to adopt other cost-effective measures to encourage work and discourage out-of-wedlock births.

States would be allowed to limit benefits for additional children born after the family goes on welfare. Some states already have obtained federal permission to use

such "family caps."

And states would be permitted to change program rules so recipients could accumulate more savings and accept child support without facing the penalty of reduced aid checks. That could help recipients become independent more quickly.

Critics of the plan underscore the difficulties Clinton faces in trying to order a middle-of-the-road solution on the polarizing issue of welfare. The White House plan was attacked by liberals as too punitive and by conservatives as not sweeping enough.

Welfare rights groups warned that the plan could thrust more children into poverty if their parents' aid checks are cut. Children account for two-thirds of welfare dependents.

"Time-limiting benefits will create more problems than it will solve," said Danny Harris Rose, president of the National Association of Social Workers.

Rep. Bobby Rush (D-Ill.) criticized the plan for not creating enough jobs to employ all AFDC recipients.

"Jobs that pay livable wages, the kind that can support families, are fundamental to welfare reform," Rush said.

Rep. Newt Gingrich (R-Ga.) said that Clinton "promised us a Federal and gave us a Yugo" on welfare reform. Gingrich said he agreed with the plan's work requirements but he believed that Clinton should have adopted some of the "more decisive" experiments being tried in various

states.

In Illinois, Gov. Jim Edgar said he welcomed Clinton's initiative but said the federal government should do more to allow the states the freedom to pursue their own welfare-to-work proposals.

Edgar said proposals incorporated in Illinois' welfare system have "taken waivers from outdated and rigid federal welfare rules to accomplish," and added that "it is more important than ever that those waivers keep coming."

Welfare-to-work programs already in place in Illinois provide incentives to keep public aid recipients in school and allow more of them to retain more outside income while receiving public assistance.

But the Chicago-based Public Welfare Coalition called Clinton's plan "a new wave of federalism" in joining with its civil rights and religious groups across the country in challenging the president's initiative.

"We are staunchly opposed to giving states free reign to hunt the rigors of welfare workers and punish children. And these workers will do nothing to discourage teen pregnancies," said Sharon Malinow, the coalition's executive director.

"While we support the president's focus on making the transition from welfare to work, what restaurants are we grilling that there will be enough public service jobs available for those who can't find employment after two years?"

14th Year - No. 181 of Chicago Tribune 7 Sections M

MIDDLE-OF-ROAD REFORM

Clinton unveils plan to shrink welfare

By Carol Jozefstis
TRIBUNE STAFF WRITER

WASHINGTON—Some Republicans have proposed shrinking or abolishing welfare. Some Democrats think the government should do more to help recipients.

President Clinton offered a middle-ground approach Tuesday, unveiling a long-awaited, \$8.9 billion welfare package that would put a two-year time limit on cash welfare benefits, something he proposed to do in his campaign.

Clinton's "new Democrat" coalition insists that able-bodied aid recipients move off welfare rolls and into the work force. But it also tries to ease the transition through increased spending on

training, child care and job-placement programs.

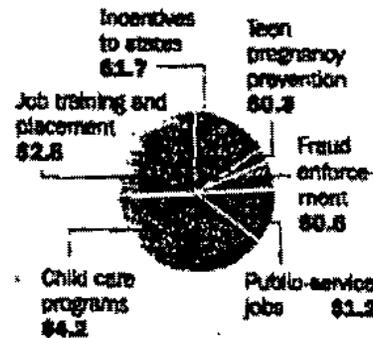
For cost reasons, the plan for revamping the \$23 billion welfare system is much more limited in scale than the White House envisioned. The plan won't "end welfare as we know it," as Clinton once pledged to do, but initially will affect only a portion of the 5 million households on Aid to Families with Dependent Children: those recipients born after 1971.

The plan would be paid for through cuts in other social programs. The biggest savings, \$1.7 billion over five years, would come from tightening aid rules for immigrants, especially those

SEE WELFARE, PAGE 20

Cost for the plan

Projected 5-year expenditures, in billions of dollars, before any savings from fraud- and caseload-reductions.



Source: News reports, Office of Management and Budget

whose U.S. sponsors can support them.

The White House proposed a cap on state spending in the AFDC emergency assistance program, saving \$1.6 billion. And the corporate Superfund tax would be extended, providing another \$1.6 billion.

While other efforts to revamp the welfare system have failed, Clinton said he believed his would succeed because it requires more responsibility from aid recipients in exchange for more support services. He said that universal health care was a cornerstone of the plan to make work more attractive than welfare.

"I really believe we have a chance, finally, to replace dependence with independence," Clinton said.

Announcing the plan in Kansas City, Mo., Clinton predicted that 1 million welfare recipients will have moved into the labor force by the year 2000.

The plan is expected to be sent later this month to Capitol Hill, where other welfare reform bills, including several that are similar to the White House plan, are pending. But with health care dominating the agenda, Congress is unlikely to act on welfare before next year.

The changes proposed in the 60-year-old Aid to Families with Dependent Children program reflects growing public frustration over the dramatic increase in out-of-wedlock births. They also mirror society's changing attitudes on the role of women, who head the vast majority of welfare households and now are expected to balance work and family duties.

If after two years, a private-sector job isn't available, a minimum-wage, community service job would be provided. But holders of those public jobs would be required to return to the private labor market to look for work after 12 months.

Those who refused to participate in education programs or refused to work would lose their welfare checks. Exceptions to the work requirement would be made for mothers with disabilities, infants under 1 year or disabled children. But even some of those exemptions would be limited.

The proposal also attempts to emphasize personal responsibility by toughening provisions for collecting child support.

Hospitals would be required to establish paternity at birth. A mother who refuses to identify or find her child's father would risk losing her aid check.

Deadbeat dads would face the loss of their drivers' or occupational licenses. A national clearinghouse would be established to catch parents who flee across state lines to avoid support payments.

A national campaign against teen pregnancy would encourage young people to delay child-bearing until they reach a more responsible age.

States, some of which have been aggressive in trying various reform experiments, would be given flexibility to adopt other carrot-and-stick measures to encourage work and discourage out-of-wedlock births.

States would be allowed to limit benefits for additional children born after the family goes on welfare. Some states already have obtained federal permission to use such "family caps."

And states would be permitted to change program rules so recipients could accumulate more savings and accept child support without facing the penalty of reduced aid checks. That could help recipients become independent more quickly.

Critics of the plan underscore the difficulties Clinton faces in trying to offer a middle-of-the-road solution on the polarizing issue of welfare. The White House plan was attacked by liberals as too punitive and by conservatives as not sweeping enough.

Welfare rights groups warned that the plan could thrust more children into poverty if their parents' aid checks are cut. Children account for two-thirds of welfare dependents.

"Time-limiting benefits will create more problems than it will solve," said Sunny Harris Rose, president of the National Association of Social Workers.

Rep. Bobby Rush (D-Ill.) criticized the plan for not creating enough jobs to employ all AFDC recipients.

"Jobs that pay livable wages, the kind that can support families, are fundamental to welfare reform," Rush said.

Rep. Newt Gingrich (R-Ga.) said that Clinton "promised us a Ferrari and gave us a Yugo" on welfare reform. Gingrich said he agreed with the plan's work requirements but he believed that Clinton should have adopted some of the "more decisive" experiments being tried in various states.

In Illinois, Gov. Jim Edgar said he welcomed Clinton's initiative but said the federal government should do more to allow the states the freedom to pursue their own welfare-to-work proposals.

Edgar said proposals incorporated in Illinois' welfare system

A paycheck, not a welfare check

Plans for reforming the nation's welfare system would encourage participants to get training and education to be able to enter the work force. The plan would affect many families who receive Aid to Families with Dependent Children (AFDC) payments, although other welfare programs would have eligibility requirements tightened.

-  **Education/job training**
Programs would help welfare recipients become "job-ready."
-  **2-year limit on benefits, then work**
After two years, recipients must take public works jobs.
-  **Making fathers pay**
Fathers would be made to pay support for their children.
-  **Work incentives**
Tax incentives to help low-income workers.

Chicago Bureau Staff

CHICAGO TRIBUNE (IL); 6-15-84
Pg. 3 of 3

have "taken waivers from outdated and rigid federal welfare rules to accomplish," and added that "it is more important than ever that those waivers keep coming."

Welfare-to-work programs already in place in Illinois provide incentives to keep public aid recipients in school and allows more of them to retain more outside income while receiving public assistance.

But the Chicago-based Public Welfare Coalition called Clinton's plan "a new wave of federalism" in joining with 65 civil rights and religious groups across the country in challenging the president's initiative.

"We are staunchly opposed to giving states free reign to limit the rights of welfare mothers and punish children. And these methods will do nothing to discourage teen pregnancies," said Sharrin Matthews, the coalition's executive director.

"While we support the president's focus on making the transition from welfare to work, what assurances are we getting that there will be enough public service jobs available for those who can't find employment after two years?"

CHICAGO TRIBUNE (IL); June 17, 1994

DCFS chief says Clinton plan flawed

By Susan Ketchen
Tribune Staff Writer

The head of the Illinois Department of Children and Family Services predicted Thursday that President Clinton's proposed welfare reform plan could backfire by infusing as many as 200,000 more children into the state's child-welfare system.

"I would expect you're going to see more kids in foster care, and not just a few more," DCFS Director Jess McDonald said during an interview on WBBM-AM Radio's "At Issue" program, which airs at 9:30 a.m. Sunday.

"My guess is if that proposal were to go through the way it is you could probably expect over 100,000 to 200,000 kids in the child-welfare system because you will not change [welfare conditions] in two years," said McDonald, whose department currently cares for approximately 40,000 children.

"I cannot think of any other outcome except for burgeoning [caseloads], more than anything we would ever dream of," McDonald said.

Clinton's welfare plan would put a two-year limit on cash welfare benefits while moving as many as 1 million recipients into the work force nationwide by the year 2000.

McDonald questioned where those jobs would be found because many welfare recipients lack the education and job skills to join the work force, especially recipients of Aid to Families with Dependent Children.

On another subject, McDonald said the department's ever-increasing caseload is forcing officials to rethink the guidelines it uses to license foster parents.

The department is conducting an aggressive recruitment effort to bring more foster parents into the system, but some prospective foster parents are being summarily eliminated from consideration because of relatively minor problems uncovered during routine criminal background checks.

"They might have had a brush with the law; it might have been a minor offense," McDonald said. "But that in and of itself should not disqualify an individual who for the past 20, 25 years has been a good worker and developed a good reputation in the community.

"Sometimes we're sitting around with rules that don't make a lot of sense, and what [the DCFS] will do is take a look at that," he said.

State has head start in reforming welfare

By ELLEN NAKASHIMA
Circuit Staff Writer

WASHINGTON — The welfare reform plan President Clinton announced Tuesday had a familiar ring to it for Connecticut officials. They have already enacted, or plan to soon, several of its key elements.

"We're well along the road," said state Social Services Commissioner Audrey Rowe. "People in Connecticut will see welfare reform this year. Hopefully, Congress will catch up with us next year."

Welfare reform is not expected to be acted on by Congress this year unless the effort to pass health care reform bogs down, said Sen. Christopher J. Dodd, D-Conn., a longtime advocate of welfare reform and child support. Still, it is important, said Dodd and other Connecticut legislators, to begin the debate — if only to get a running start on next year's agenda.

"This is the beginning of a major effort to do something about it," said Sen. Joseph I. Lieberman, D-Conn. "I think it's urgent to start the process."

Meanwhile, Rep. Gary A. Franks, R-5th District, blasted the president's plan as "a \$9 billion jobs program" that will benefit only a small percentage of people.

He referred to Clinton's proposal to create 400,000 jobs for welfare recipients by 2004 — to cover only about 7 percent of recipients.

Franks' colleague, Christopher Shays, R-4th District, was more conciliatory toward Clinton. "There's enough in his proposal that Democrats and Republicans can come up with a better proposal and move forward," Shays said.

Dodd commended what he saw as the package's key elements — rewarding work and parental responsibility and increasing job training and child care. He called it "about the best welfare reform package that I've seen in my 20 years in Congress."

But Rowe and others pointed out that Connecticut is already doing some of what Clinton wants.

For instance:

- In January, the state began a system that allows working welfare recipients to keep more of their earnings.

- In September, the state plans to begin a pilot project in New Haven and Manchester that cuts benefits after two years if recipients do not get a paying job, although volunteer work would count.

- In September, the state will get more aggressive about collecting court-ordered child support and passing more of it along to welfare recipients.

But while Clinton's plan targets younger parents — those born after 1971 — Connecticut's plan is aimed at the entire range of welfare recipients.

In fact, if Clinton's plan were adopted, it would affect only 10,000, or about 17 percent, of the state's welfare households, Rowe said.

But Dodd said that, given the need to set priorities, focusing on the younger generation is wise.

"If you have children as teenagers, the likelihood that you will stay trapped in a welfare environment is very, very high," he said.

What the state is not doing, Rowe said, is penalizing women on welfare who give birth to additional children — as several proposals in Congress would do.

Cutting cash benefits does not induce welfare parents to have fewer children, Rowe said. "There is no real correlation," she said.

Like Clinton, members of the Connecticut delegation have authored their own legislative initiatives on welfare reform. A sampling of their ideas indicates how many issues Congress will ultimately need to resolve. Among them are:

- Guaranteeing minimum level of child support payments — Dodd.

- Increasing the collection of child support payments across state lines using the IRS — Dodd.

- Allowing states to experiment, for instance, by reducing cash benefits and creating "residential schools" — or orphanages — where parents could voluntarily enroll their children — Lieberman.

- Allowing recipients to save up to \$10,000 to invest in their own small businesses — Shays — or for business investment, job training and education — Lieberman and Dodd.

- Allowing recipients to remain eligible for Medicaid for up to 30 months after they have moved off welfare into the work force — Shays.

- Giving employers a tax credit of up to \$4,500 a year for each new employee hired off the welfare roll. — Rep. Sam Gejdenson, D-2nd District.

- Creating a child support registry to crack down on deadbeat parents who try to flee to another state — Rep. Barbara B. Kennelly, D-1st District.

- Requiring mothers who are minors to live with their parents — Rep. Nancy Johnson, R-6th District, as member of the Republican Task Force on Welfare Reform).

- Ending welfare for noncitizens and allowing refugees to receive welfare for a fixed number of years unless they become citizens — Johnson, supported by Franks.

The Honolulu Advertiser 6/15/94

Clinton's welfare plan pushes work

Proposal puts 2-year limit on cash benefits

Los Angeles Times

KANSAS CITY, Mo. — Denying the "cycle of dependency" that keeps millions of Americans on welfare rolls for years, President Clinton yesterday unveiled a \$9.3 billion reform initiative that would impose a two-year limit on cash benefits and require younger recipients to find work themselves or take a government job.

If his package is enacted, the president said, 1 million people who would otherwise be unemployed and receiving welfare benefits will be holding jobs by the year 2000. That would represent roughly one in five all adults who now receive Aid to Families with Dependent Children. Clinton's plan applies only to AFDC, and not to Food Stamps or other such programs.

Clinton said his plan holds both parents responsible for the welfare of their children. It would emphasize establishment of paternity, and crack down on fathers or mothers who fail to provide mandated child support. It includes measures to discourage teen pregnancy and illegitimacy, which Clinton says have contributed to welfare dependency.

Most of the plan's provisions would apply only to adult recipients born after 1971, who represent the youngest one-third of the total adult AFDC population of 5 million. The age threshold is intended to reduce the total cost and lighten the administrative burden imposed on states, which would be required to create hundreds of thousands of education, training and subsidized-work slots.

The president said he will introduce his legislation in the next few days. It already faces competition from several congressional proposals that represent different visions of welfare reform. Liberals tend to oppose the proposed time limit as too severe, while conservatives argue that the Clinton plan does not do enough to discourage illegitimacy.

Clinton's welfare reform program

Cost of the plan (five-year projection)

- A More child care for the working poor: \$1.8 billion
- B More child-care spending for people in the program: \$2.7 billion
- C Jobs for participants who reach the two-year time limit: \$1.2 billion
- D More money for education, training and job placement: \$2.8 billion
- E What's new:
 - Teen-age pregnancy prevention: \$200 million
 - Collection of child support payments: \$400 million

Total cost of program: \$10.8 billion
 Savings through reduction of caseload and fraud: \$1.5 billion
Net cost: \$9.3 billion

Clara to the rescue plan

- A Tighten eligibility rules for non-citizens: \$1.7 billion
- C Credit of \$100 million for credit: \$3 million
- D Excess savings from Superfund Act: \$1.8 billion
- E Fees for consumer services: \$200 million
- H \$200 million
- I No increase in food stamp overpayment recovery: \$100 million
- J Retargeted subsidies to family day care homes: \$500 million
- K Elimination of subsidies for wealthy farmers: \$500 million
- L Limited eligibility for substance abuse: \$500 million
- M Spending cap on Aid to Families with Dependent Children Emergency Assistance Program: \$1.5 billion

What's wrong with welfare?

Women find that having a job just doesn't pay

By DONALD BRADLEY
Staff Writer

President Clinton, meet Karla.

She's not an economist or a social scientist, but maybe her story can help you talk about the need to reform America's welfare system.

Karla is 31, a Midtown single mother of four. To protect her identity, her last name is not being printed. She was receiving \$342 a month in welfare — most of which went toward rent — and \$430 a month in food stamps.

Then she got a job as a waitress earning \$463 a month. Because of the job, she eventually lost all of her welfare and \$300 of the food stamps. She also lost Medicaid for two of her children.

By going to work, her income dropped to \$593
See **WOMEN, A-8**, Col. 5

Clinton's day in Kansas City

■ **8 a.m.:** The president arrives at the TWA Overhaul Base at KCI. He is to be accompanied by Health and Human Services Secretary Donna Shalala.

■ **12:45 p.m.:** The president announces his welfare proposal at Commerce Bank, 922 Walnut St. The speech is closed to the public.

■ **3:15 p.m.:** Clinton departs Kansas City from KCI.

All three TV networks and KCUR-FM, 89.3, will broadcast the president's speech live.



INSIDE: The Clintons are questioned under oath by the Whitewater special counsel. **A-3**

Missouri programs help trim the rolls

By MATT CAMPBELL,
BILL NORTON
and MARY SANCHEZ
Staff Writers

Three Missouri programs aimed at turning welfare dependents into workers will get presidential scrutiny today when Bill Clinton comes to Kansas City to plug his own welfare-reform plan.

Two of the programs, the state-run Futures and the nonprofit Women's Employment Network, have a track record of removing people from the welfare rolls. Another state program, 21st Century Communities, will start in July and build on the Futures effort.

Vicki Phelps, a 34-year-old mother of three, credits the em-

ployment network with ending a five-year reliance on welfare checks.

For 19 months she has been a computer operator for Continuum Vantage, a local company that provides services for insurance companies. She also attends Penn Valley Community College at night.

Phelps said the network topples barriers.

"The reason most women can't go back to work is they can't afford child care or transportation," she said. "They don't have skills to write resumes. Sometimes they don't have the self-esteem, don't have clothing."

The employment network helps
See **MISSOURI, A-9**, Col. 1

Women suffered the system's flaws

Continued from A-1

from \$772.

"Plus I had to buy uniforms and pay for bus fare," Karla said Monday. "I really wanted to work, because I was tired of sitting around and I wanted things for my kids, but I couldn't afford it after a while."

Bingo, said Sister Berta Sailer, director of St. Vincent's Family Service day-care center at 31st Street and Troost Avenue.

"Karla should have been rewarded for getting out and getting a job," she said. "But instead, it was like the system wanted to put her back in her place. She made a sound economic decision by quitting her job."

Sailer co-founded St. Vincent's 25 years ago to serve poor families. More than half of the parents of the center's 240 children receive welfare benefits.

"Getting off welfare and going to work must be an improvement in their lives," she said. "If not, what's the motivation? These moms have kids to care for."

"Suburban America might say these mothers are lazy for not working. No, these mothers are smart."

Here's what Sailer would like to see included in the president's plan:

■ Parents must not lose health coverage by taking a job.

■ Child-care benefits must be expanded, because parents can't pay for child care with a minimum-wage job.

■ Benefits must keep coming for a year or so after the recipient lands a job and then decrease gradually.

■ Finally, there must be jobs — in the neighborhoods where parents live, because many don't have transportation.

"You can have the best vocational training in the world, but it doesn't do a bit of good if there are no jobs," Sailer said.

"Our moms get offered jobs as dishwashers out in Johnson County. They can't take jobs out there. The bus lines quit running by the time they get off work."

The biggest and most baffling problem to her is child care.

As long as a welfare recipient is

in school or vocational training, she can receive free child care through state subsidies. But that aid ends when she gets a job.

"There's at least a year's waiting list to get child-care money when you go to work," Sailer said. "The system would rather seek out the one woman who doesn't want a job and they say, 'We're going to make you work!'"

Another problem is the rule that prohibits a man from living in a single mother's home if she is receiving welfare.

"We all know how important having two parents around is for children, but as soon as a man moves in, the woman loses her benefits," Sailer said.

Mae Richardson has been there. She used to be a welfare mother before she managed to get off.

"They would come in and search your house for a man's shoes," she said. "And they would ask when was the last time you slept with him. That was degrading."

Richardson said the monthly checks are so small that the recipient can't do much other than sit at home. And families suffer because their clothes, toys and food aren't as nice as other families'.

"I don't know if I could get off today," she added. "It's a lot easier to get on than it is to get off. It's almost like they want to keep you there."

When Richardson was on welfare, her monthly payments were augmented by a rent subsidy.

Today there is a great shortage of rent aid, said David English, a program developer at St. Vincent's.

"Single mothers on welfare cannot afford rent," English said. "We've got all these nomadic families moving every two or three months, because that's how long it takes to throw them out of an apartment."

Sailer thinks the system is so flawed that reform might be impossible.

"We might have to start from scratch," Sailer said. "I just know that we need a government that spends less on armies, oil companies and tobacco growers and more to help poor working mothers."

Missouri programs trim the rolls

Continued from A-1

with all that, and on a personal level.

"You're not a number," Phelps said. "The counselors give a great deal of attention to each person."

Most of the women come into the network dejected, literally looking downward. When they graduate, they have "a very real turnaround," said director Leigh Kline.

It requires a commitment of four weeks of all-day classes. Teachers are on-site to help some women pass high school equivalency tests. After testing, the network helps the women find jobs and keeps track of them.

An average of 10 women graduate each month — about 1,700 since 1986. The job-placement rate is 75 percent to 80 percent. Some even go on to an entrepreneurial program to start their own businesses.

"We help them train for a career, not the first fast-food job," said Beth K. Smith, network chairwoman. "We don't want to create the working poor."

Phelps is glad to see the Women's Employment Network approach being viewed as a model for welfare reform.

"It should be given a chance to work on a bigger scale," she said. "Now they are fully equipped to take 30 to 35 women every month. I know that there are hundreds that need to be doing it."

A future with Futures

Africa Gipson was working part time, usually as a waitress. And she was taking computer classes at a business college that closed unexpectedly.

She had an infant son and a daughter. What else did she have was a partner to help pay the way. "When the baby got sick, that was it," Gipson said. "It was ei-



Victi Phelps spent five years on welfare

President Clinton

★ TROUGH 1066

To hear excerpts from President Clinton's speech today in Kansas City, or to leave comments about it, call (816) 808-7627 and enter 1066 after 3 p.m.



Althea Gipson freedom came with job

President Clinton

★ TROUGH 1066

To hear excerpts from President Clinton's speech today in Kansas City, or to leave comments about it, call (816) 808-7627 and enter 1066 after 3 p.m.

"I don't get anything from the state now," she said. "They consider me a success story, but I don't think I'm through with it yet."

She intends to return to college and to send her two children to college.

The 21st Century Communities program will require participants to work for their welfare benefits, which will be supplemented by local employers.

The state will give employers the dollar equivalent of Aid to Families with Dependent Children and food stamp benefits to help subsidize the cost of hiring welfare recipients.

For example, if the cash value of Aid to Families with Dependent Children and food stamps is \$3.08 an hour, the employer would supplement that by \$3.92 so that the actual wage would be \$6.98 an hour, said Bert Berkley, chairman of the board for Tension Envelope Corp. and a strong supporter of the program.

By allowing only companies that create new jobs to participate, the program ensures that no one is laid off or displaced by the program. Organizers hope the job opportunities will allow people to eventually leave the welfare system.

"It is essential that there are new jobs," Berkley said. "We're trying to make this an opportunity for people to raise themselves up by their bootstraps."

The program also allows people to train medical and day-care benefits, said Paula Cardello, deputy coordinator of the Local Investment Commission.

The commission is a community-based group that is helping the Missouri Department of Social Services oversee the 21st Century Communities program

Women off welfare to talk with Clinton

By MATT CAMPBELL and BILL NORTON
Staff Writers

President Clinton will meet today with at least four area women who made the transition from welfare to work force.

The women, whose names were forwarded to the White House by the local Women's Employment Network and Missouri's Futures program, were expected to add a positive spin to the administration's national welfare-reform plan.

The women are to receive a 1 1/2-hour briefing with White House officials before their meeting with Clinton, said Avonda Moffitt, a 26-year-old Kansas City mother who has been on and off welfare since 1966.

She recently began earning \$7 an hour working in customer service for Pilary Bow Management Services and is supporting her two children.

Moffitt, who went through the network training program and now is enrolled in Futures, said she was eager to tell Clinton about her success.

Other women set to meet with Clinton include Pamela Rubaker of Independence and

and other welfare reform efforts. Rubaker is a founder of the coalition.

Kansas City is the only city in the nation piloting the 21st Century program.

Victi Phelps and Birella Smith of Kansas City.

In 1989 Rubaker was working three jobs but was still unable to support her three children. She made too much money to qualify for welfare, so she quit two of her jobs and ramped up.

Through Futures, she received educational and job-training help and now earns \$7.15 an hour as an apprentice with Calce Sheet Metal Industry. She could work her way up to earning more than \$20 an hour.

Phelps, 34, is another graduate of the Women's Employment Network. Medical problems forced her to leave her insurance company job in 1987, and she received welfare checks for five years.

Phelps, a single mother of three, now earns \$15,000 annually at Continuum Village, supports three persons and handles billings for 700 clients.

Smith, also 34 and the mother of three, had been on and off welfare for years before Futures and the Women's Employment Network helped her get a secretarial job at Hellmuth Obata & Kassabaum Architects. She earns \$6.75 an hour with full benefits.

"We're looking at it as an opportunity for people who haven't had job opportunities before," Cardello said.

LANSING STATE JOURNAL (MI); 6/15/94 1 of 2

Clinton plan draws praise, criticism

State's program already ahead in some respects

By A.J. BANKS
and GIBBIE GENDREAU
Lansing State Journal

President Clinton's \$0.3 billion welfare reform plan unveiled Tuesday likely will have little effect on Michigan's current government assistance programs, officials said.

"There are a lot of things in there that are similar to what we're doing in Michigan already," said Chuck Peller, spokesman for Michigan's Department of Social Services.

Yet that didn't stop opponents from calling it weak and expensive, nor from garnering cautious support from others.

"President Clinton's welfare reform plan announced today recognizes that our welfare system is broken and we need to fix it," said U.S. Sen. Carl Levin, D-Southfield.

"I am in favor of putting some realistic limits on welfare and I think the president's framework is a good starting point."

The program isn't without opponents.

Rep. David Camp, R-Midland, called the work requirement ineffective and said the plan as a whole is too costly.

"It would continue welfare as we know it," Camp said. "It throws money at the problem." Instead, he touted a Republican plan he said would reduce the deficit by \$20 billion over five years.

As proposed now, only two facets of the president's plan differ drastically from the state's current system:

■ A two-year time limit on cash benefits.

■ Caps on additional money given to mothers on welfare who give birth to more children.

"The family caps we don't think are necessary," Peller said, adding that statistics show mothers on welfare have fewer children than those who don't receive assistance.

Still, it could be years before

Michigan sees even the first change. The proposed plan exempts states that have demonstration projects under way.

Michigan began such a project in 1992, to be completed in September 1997.

As of March, just over 1 million people statewide received aid through five government programs, said Ellen Kays, an analyst with the Michigan Department of Social Services.

Those who receive money through the Aid to Families with Dependent Children program make up the largest number of the state's welfare recipients at 219,367 people, Kays said.

Of that number, 59,966, or nearly a quarter, already work, most in part-time jobs, she said.

Eaton Rapids' Marcia Anderson isn't so sure she approves of the plan.

Anderson is a mother of five who doesn't receive child support because her husband is in prison.

Her dilemma: Even if she had a minimum wage job, she couldn't afford to support her family. Instead, Anderson enrolled in college.

She is two years through her degree — a degree that she hopes will one day allow her to support herself and her children.

Clinton's proposed two-year limit is unrealistic, Anderson said.

"Everything takes a little time."

she said. "I guess Mr. Clinton is under the assumption that you walk into welfare and you find a job."

Kevin Bowling will keep his eye on how the plan develops. He helped start the Loaves and Fishes Overnight Shelter on Sycamore Street that helps between 300 and 500 people each year.

The president's plan includes a cap on state spending on emergency homelessness programs to save \$1.6 billion. That's money that states have tended to use for non-emergency programs.

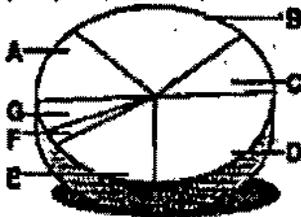
Bowling's shelter relies on government aid for about a quarter of its \$120,000 yearly budget.

Clinton's welfare-reform program

President Clinton's \$9.3 billion welfare-reform package would impose a two-year limit on cash benefits and would guide recipients into the work force. A look at program costs and at savings anticipated through changes to the existing system:



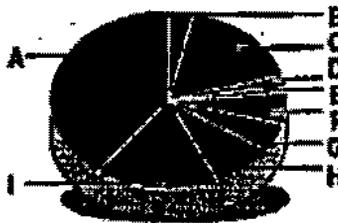
**Cost of the plan
(five-year projection):**



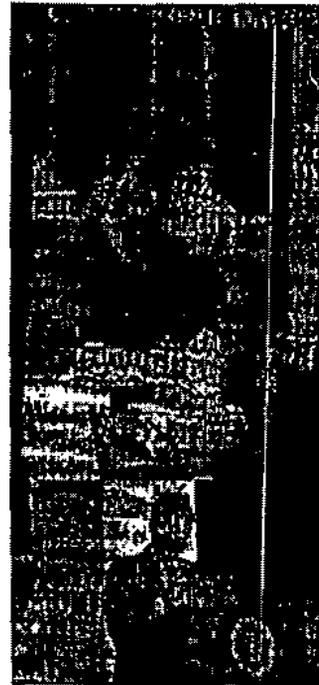
- A More child care for the working poor: \$1.5 billion
- B More child-care spending for people in the program: \$2.7 billion
- C Jobs for participants who reach the two-year time limit: \$1.2 billion
- D More money for education, training and job placement: \$2.8 billion
- E Miscellaneous
- F Teen-age pregnancy prevention: \$300 million
- G Collection of child-support payments: \$600 million

Total cost of program: \$10.5 billion
Savings through reduction of cases and cost: \$1.5 billion
Net cost: \$9.0 billion

Cuts to the current plan:



- A Tighten eligibility rules for non-disabled: \$3.7 billion
- B Changes to earned-income tax credit: \$3 million
- C Excess saving from Superfund tax: \$1.6 billion
- D Fees for customer services: \$200 million
- E No increase in food stamp overpayment recovery: \$100 million
- F Retargeted subsidies to family day-care homes: \$600 million
- G Elimination of subsidies for wealthy farmers: \$500 million
- H Limited eligibility for substance abuse: \$600 million
- I Spending cap on Aid to Families with Dependent Children Emergency Assistance Program: \$1.8 billion



AP/Wide World

President Clinton announces his welfare-reform proposal on Tuesday. Above Clinton is a photo of a former welfare recipient who was helped by a Missouri training program and is no longer on assistance.

AP/Wide World

Polls aside, plan's passage in Congress won't be easy

By RONALD BROWNSTEIN
Los Angeles Times

WASHINGTON — The welfare-reform plan that President Clinton released Tuesday sits squarely in the center of public opinion on this historically divisive issue, according to several recent polls. But that may not be enough to guarantee the proposal a majority in Congress.

The coming debate over welfare reform — which will remain muted until Congress finishes action on health care — is likely to illuminate the difficulties of translating a consensus outside the capital into a consensus among the interest groups, elected officials and political strategists who shape the legislative process inside the Washington Beltway.

Within hours of its release, Clinton's plan was under intense assault from liberals as too harsh and from conservatives as too soft.

"This is a pretty conservative plan," said Roberta Ikemi, a staff attorney at the California Women's Law Center in Los Angeles. "I have some grave worries about whether this is a disguised way of punishing women."

Meanwhile, William Bennett, education secretary under Ronald Reagan and an unimpeachable conservative, dismissed the plan as "a joke, a half fraud ... marginal tinkering."

Only the rare voice in the middle praised the program: Will Marshall, president of the Progressive Policy Institute, a centrist think tank, hailed it as "radical, yet constructive change."

Overcoming those impulses toward polarization will make welfare reform the sternest test of Clinton's capacity — and willingness — to forge a new centrist coalition for change that transcends what he has called "the brain-dead politics in both parties."

"The problem is you now go into a congressional process that is driven by political factions ... that are not connected to what is happening in the country," said Stan-

ley Greenberg, Clinton's pollster. Over the last 30 years, few issues in American politics have been more divisive than welfare.

Clinton's proposed two-year time limit on benefits — coupled with a promise of public service employment if private jobs cannot be found — won support from an overwhelming 90 percent of those polled in an April Los Angeles Times survey. Opinions varied hardly at all by race or party affiliation.

Other core ideas in Clinton's plan also drew substantial majorities. Two-thirds of those surveyed in The Times Poll supported his proposal to require teenagers receiving welfare to live with their parents or another responsible adult.

Another recent poll found more than 90 percent of Americans back Clinton's call for cracking down on absent parents who owe child support.

By contrast, in The Times Poll just one in four of those surveyed supported the idea that has rattled conservatives: cutting off all welfare benefits for women who bear children out of wedlock.

But it remains uncertain that the political system can deliver change that reflects the broad consensus in public opinion. If there is any lesson in Clinton's first 17 months in office, it is that Washington actively resists consensus.

Jobs Scarce for 'Workfare' Recipients

■ **Employment:** County requires able-bodied welfare recipients to work for their monthly checks. But the program is struggling with a joblessness rate of nearly 60%.

By TRACEY KAPLAN
TIMES STAFF WRITER

One recent morning before dawn, a long line of bleary-eyed men waited outside a welfare office on Skid Row, primed with coffee and cigarettes to pay their debt to society.

For some, the prospect of cleaning county beaches in exchange for \$212 in monthly welfare benefits seemed fair. Others familiar with the system hung back at the end of the line, hoping that there would not be enough room in the county vans to take them to the beach.

For 46 years, Los Angeles County has required single, able-bodied welfare recipients to earn monthly checks by cleaning restrooms, raking flower beds and performing other tasks for government agencies and nonprofit organizations.

But in a scene repeated throughout the county every weekday because of a shortage of community service jobs, 21 of the 60 men waiting to help clean beaches on this morning were sent home by the time the sun had crept up over the horizon.

Far from being a success, the county's general relief "workfare" program is posting its highest unemployment rate ever—nearly 60%—as it struggles to find public service jobs for thousands of people.

As the county's experience demonstrates, workfare is not the panacea its most ardent advocates hope it will be. Here and elsewhere, it has failed to significantly reduce welfare costs or to raise people out of poverty, experts say.

The problem is not the people—most of whom bust stereotypes of recipients as ne'er-do-wells by showing up to work. Instead, the county program is bedeviled by employers' reluctance to use welfare recipients, union opposition, a shortage of supervisors for the new workers and competition from other sources of free labor—including the 74,000 people sentenced annually by the courts to community service in Los Angeles County.

"It's not an easy sell," said James Adler, chairman of the county's welfare commission. "As I look around the coun-

ty, I think there are hundreds of jobs they could do, but the problem is getting government agencies to sign on."

Because of the lack of slots, 16,000—or about 40%—of the 41,500 recipients eligible to work end up doing so, down from 70% four years ago. About 25,500 of

those who could work get checks without having to pick up a shred of litter.

Experts disagree about what the impact of the public service jobs shortage would be on President Clinton's welfare reform proposal, which seeks to impose a two-year limit on cash benefits and requires younger recipients to find work themselves or take a government job.

Direct parallels are difficult to draw because the President's program would apply primarily to welfare mothers, while the county's workfare requirement involves the mostly male population on General Relief. Another significant difference is that Clinton's plan includes funds for education and training; the county program does not.

But White House policy aide Bruce Reed, co-chairman of the Administration's welfare reform group, has said that the difficulty of creating jobs, even in the public sector, is one reason the Administration plans to initially impose the two-year limit on young recipients only.

To market the workfare program, the county produced a slick 13-minute video and mailed it to dozens of government agencies and private nonprofit groups last fall. The video, with its catchy synthesizer music and upbeat message, has helped drum up jobs for 500 more recipients in the past six months. But during the same period, the county lost more jobs than it gained and employs 267 fewer recipients than in September, said Nancy Diaz, the county's workfare director.

"People think it's real easy to find jobs, but we just can't keep up," Diaz said.

In the past four years, the county has nearly doubled the number of work slots, creating work for 18,000 recipients, as agencies that were unable to hire new workers because of budget cuts drew increasingly on the pool of cheap labor.

But the recession has proved to be a double-edged sword.

At the same time that the number of work slots increased, the pool of eligible workfare participants tripled as more people went on welfare. Thus, the percentage of those who pick up a shovel or rake dropped from nearly three-quarters to two-fifths of those eligible.

The county is the biggest employer of welfare recipients, using more than 10,000 a month to clean beaches and parks, answer telephones and guard parking lots. Most recipients receive a monthly grant of \$212 and in exchange are supposed to work about six days a month at the minimum wage rate of \$4.25 an hour.

Eighteen other cities, school districts and state agencies employ almost 6,000 recipients a month to help repair roads, stock shelves and sweep floors. But only seven private, nonprofit organizations countywide employ them.

"The reason we don't use them is there's too much paperwork involved," said Mary Ann Osness, volunteer coordinator for Pacific Hospital of Long Beach,

which recently rejected county overtures to join the program.

Some agencies worry about their ability to screen out workers with problems.

Until a year ago, the Los Angeles Unified School District employed about 4,000 recipients a month, largely as janitors and groundskeepers. The responsibility for screening the workers fell to the school district because the county, which spends about \$270,000 annually to administer the workfare program, lacks the money to fingerprint and check each recipient's record.

But the district only ran background checks when the behavior of welfare recipients raised suspicion, because the inquiries cost \$64.50 apiece, officials said. Last spring, several checks revealed convictions for assault and sexual molestation, they said. Acting on legal advice, the district decided to stop using welfare recipients once those remaining on the job got off the rolls.

Then the worst happened. Earlier this year, a recipient who worked as a janitor at a South Gate elementary school was arrested and charged with murdering an 82-year-old woman who was a longtime volunteer there. Although the man had no criminal record, the incident hardened the district's resolve not to use welfare recipients despite the need for unskilled labor to keep campuses clean.

"The effect of losing them will be dramatic," said Walt Greene, LAUSD's director of employee relations. "It has already limited our ability to keep our campuses and classrooms clean. But we can't afford to risk it."

Competition from other sources of cheap labor is another obstacle facing the workfare program. Countywide, welfare

recipients compete with the more than 6,100 criminals sentenced to community service each month.

The California Department of Transportation relies on people sentenced to community service or in early release programs about eight times as often as welfare recipients.

"Some of them [welfare recipients] are real good workers, but their incentives to work aren't quite as high as someone who could go to jail," said Larry Ormay, a Caltrans regional manager.

Welfare recipients who fail to complete their work assignments for the first time and cannot show good cause lose their benefits, but are allowed to reapply the following month. Second-time of-

fenders have to wait 30 days before reapplying and third-time offenders must wait 60 days.

Another reason for the shortage of public service jobs is that agencies lack the personnel to supervise welfare recipients.

"They're not really free workers," said Eddy Tanska, director of the county's welfare department. "Even with simple things like graffiti removal, you have to have enough equipment and supplies, and people to supervise them."

Among general relief recipients left out of the workfare program there is both relief and mild regret.

"Who wants to work for peanuts? I want a real job," said Indris Ahmad, 44. But the county does not have the money to make a systematic effort to match recipients' skills with their work assignments, officials said.

"They give you garbage jobs," said Robert Perna, 47, a former welfare recipient and workfare participant whose typing skills led to a job at Glendale Adventist Hospital. "It only led to a job for me because I begged them over and over again to place me at a work site where I could use my intelligence."

Union opposition may also hinder the creation of public service jobs for welfare recipients. In some cases, unions have added to the cost of using welfare recipients by getting pay raises for government employees who are assigned to supervise them.

"We're basically against it," said Marcel Bell, a business representative with the Service Employees International Union, which represents thousands of Los Angeles county and city workers.

The union's biggest fear is that its members will be displaced by the cheap labor pool.

"What workfare does is remove the incentive to hire new workers," Bell said. "It's very subtle because there are no layoffs, but it's there."

In fact, the city of Pico Rivera has saved at least \$789,000 by using welfare recipients to help fill the gap left by about 35 municipal workers who have retired or quit in the past 30 months, city officials said. The recipients perform a variety of duties from opening envelopes to cleaning storm drains.

MILWAUKEE SENTINEL (WI) ; 6/15/94

Mayor lauds welfare reform, but hits limit

By **GRETCHEN SCHULTZ**
Sentinel staff writer

Mayor John O. Norquist praised President Clinton Tuesday for putting welfare reform at the top of his domestic policy agenda, but said the maximum two years on welfare for which recipients would qualify is too long.

"People don't react well to 'in two years you should modify your behavior,'" Norquist said in a telephone interview from the annual U.S. Conference of Mayors being held in Portland, Ore.

Norquist has long advocated dismantling the current welfare

system and replacing it with a work-based assistance program.

"I've always been opposed to time limits," he said. "I think they (changes) should be applied immediately."

Welfare reform previously "has been on the back burner, and I think that's a mistake," Norquist said. "President Clinton has been putting health care reform ahead of welfare reform. I believe they fit together."

"The president seems to be perceiving it," Norquist said. "They go together hand in hand."

Universal health care coverage is essential to welfare reform, he said. Recipients of Aid to Families

with Dependent Children already receive health coverage, while many employed people do not, he said.

"Instead of awarding health care for not working, we should change the incentive by having health care follow people into the labor market," he said.

The Republican response to the president's plan is "shrill and overly pessimistic," he said. "I think the Republicans are sucking on too many lemons."

U.S. Welfare Plans Reflect Nebraska's

BY PAUL HAMMEL
WORLD-HERALD BUREAU

Lincoln — President Clinton's proposals for reforms in the national welfare system will make it easier for Nebraska to gain federal approval for similar changes proposed on the state level, Gov. Nelson and other Nebraska officials said Wednesday.

The governor said Clinton's reform plan is consistent with a Nelson-backed proposal approved by the Nebraska Legislature this spring.

"It indicates the federal government is supportive of the efforts we've undertaken here," he said during a conference call with reporters.

Gerry Oligmueller, deputy director of the Nebraska Department of Social Services, said the many similarities in the Clinton and Nebraska plans send a real strong, positive signal that the federal government will approve the state welfare reform plan.

A key element of both plans is a two-year limit on cash assistance.

State Sen. Ernie Chambers of Omaha, a critic of Nebraska's welfare reform plan, said the president's plan — like Nebraska's — pushes single mothers into minimum-wage jobs that will drive them deeper into poverty and provide them incentives to commit crimes to make ends meet.

"It's hypocritical, cynical and immoral," Chambers said.

Clinton, during a stop in Kansas City, Mo., Tuesday, unveiled a scaled-down, \$9.3 billion welfare-reform plan. Its hallmark is the two-year limit on cash benefits. It also aims to steer welfare recipients into the work force.

The two-year limit was also the centerpiece of Legislative Bill 1224, passed by lawmakers this spring. Much of the bill must be re-approved next year to take effect.

Because Nebraska's welfare program is federally subsidized, any reforms must be approved by the Federal Health and Human Services Administration.

Oligmueller said Nebraska will apply for that federal waiver this fall. The state's reform plan is scheduled to take effect in Douglas and Sarpy Counties in July 1995 and in the rest of the state a year later.

Nelson said the Clinton plan parallels Nebraska's goals to move people off welfare by making them self-supportive.

But he said Nebraska's work program will focus more on private sector employment than on public sector jobs.

Nelson said that public sector jobs too often become make-work type jobs.

The public-job component of the Clinton plan drew praise from Sen. Don Wesley of Lincoln, chairman of the Legislature's Health and Human Services Committee and a backer of Nebraska's welfare-reform proposals.

Clinton's Welfare Plan

- Tighten Social Security, Aid to Dependent Children and food stamp sponsorship and eligibility rules for noncitizens.

Savings: \$3.7 billion over five years.

- Cap each state's spending in the ADC Emergency Assistance Program, a program that helps the homeless.

Savings: \$1.6 billion.

- Limit Social Security eligibility for drug- and alcohol-addicted recipients.

Savings: \$800 million.

- End subsidies for farmers with more than \$100,000 in nonfarm income.

Savings: \$500 million.

- Income-tax meal reimbursements to family day-care homes to improve targeting of subsidies.

Savings: \$500 million.

- Make no increase in the amount of food stamp overpayment recoveries that states retain.

Savings: \$100 million.

- Extend fees for passenger processing and other customs services as well as for railroad safety inspections.

Savings: \$200 million.

- Use excess savings from extension of the corporate Superfund tax, with no impact on the Superfund program.

Savings: \$1.6 billion.

For the Record

IMAX Tickets: Tickets to films at the Lied IMAX Theater at the Hastings Museum cost \$5 for senior citizens. The price was incorrect in a story in Tuesday's World-Herald.

If you find an error of fact or a point requiring clarification in The World-Herald, please call the city desk:

(402) 444-1000

Omaha World-Herald

(USPS 408-890)

Published daily except Sunday World-Herald
Square Omaha, Nebraska 68102

Main office (402) 444-3000
Classified (402) 343-8833
Circulation (402) 348-3383
Sports scores 345-2250
Retail Adv. 444-5420

Omaha Daily Herald founded 1865
Omaha Daily World founded by
Gilbert M. Hutchinson, 1885.
World-Herald 1889

PAID CIRCULATION MAY 1994
DAILY 239,787 SUNDAY 292,876

NEWS BUREAUS

World-Herald Washington Bureau
941 National Press Building
Washington, D.C. 20045
PHONE: (202) 962-7370

World-Herald Lincoln Bureau
Suite 310
Pomax L. Hruska Law Center
435 South 14th St.
Lincoln, Nebraska 68508
PHONE: (402) 478-3132

World-Herald Council Bluffs Bureau
315 Park Building
Council Bluffs, Ia. 51502
PHONE: (712) 322-0279

The Associated Press is exclusively entitled to the use and reproduction of the local news printed in this newspaper as well as all AP dispatches.

Second class postage paid at Omaha, Neb., and at other mailing offices. Basic weekly subscription rates: \$2.00 Daily & Sunday, \$.75 Monday-Saturday, \$.80 Monday-Friday, \$1.40 Sat. & Sunday, \$1.25. Sunday (includes delivery on 9 major holidays) Single copy rates: \$.25 daily, \$1.25 Sunday. Fifty-two week rate subscription rates for Nebraska, Iowa, parts of Kansas, Missouri, South Dakota, \$36.00 daily, \$85.00 Sunday, \$124.00 daily and Sunday. Special rate for members of armed forces. Other rates on request.

Postmaster: Send change of address to Omaha World-Herald, World-Herald Square, Omaha, NE 68102.

OMAHA WORLD-HERALD Wednesday, June 15, 1994 ***

THE OREGONIAN, Monday, June 13, 1994

Mayors behind welfare reform

■ Big-city leaders meeting in Portland support the president's idea to change the program, but they worry about details

By JAMES MAYER
of The Oregonian staff

Big city mayors generally support President Clinton's soon-to-be-announced plan to "end welfare as we know it."

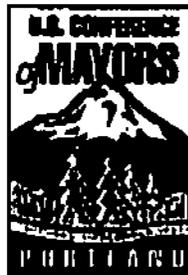
But they have plenty of worries about the plan as they know it.

"We are beginning to put together a framework of some guiding principles," said Seattle Mayor Norm Rice during a discussion of the welfare reform package Saturday at the U.S. Conference of Mayors meeting in Portland.

"I think it's too early to get into specifics," Rice said.

It's never too early for the mayors to talk about money, however.

The resolution adopted by the conference's jobs, education and family committee offered conditional support for the president's plan, but it strongly opposed many of the administration's schemes for paying the \$9.3 billion price tag.



Specifically, the mayors object to spending cuts, such as a proposal to deny benefits to noncitizens who have been in the country for less than five years, instead of the current three years.

So, if the mayors don't want to cut entitlements, what do they want to do? asked Mayor Patrick Henry Hays of North Little Rock, Ark.

An uncomfortable silence spread around the table.

Finally, Mayor Bruce Todd of Austin, Texas, the committee chairman, broke the mood with a joke.

"We'd like the money to come from any source that doesn't affect cities," Todd said. "I think we have a standing resolution on that."

Clinton is expected to announce his plan next week. The centerpiece of the package is a lifetime 24-month limit for welfare recipients.

The mayors object to the lifetime part of the proposal, arguing that circumstances can change.

And some mayors aren't too sure about the whole idea.

"I have mixed emotions about having

Please turn to
MAYORS, Page B4

Mayors: Hate crimes area of worry

Continued from Page B1

mothers devoted to work as opposed to taking care of a child," said San Antonio Mayor Nelson W. Wolff.

Wolff said he was concerned with the fate of children born to teenage dropouts.

"If welfare reform doesn't deal with that, then we have done nothing here," he said.



CLEAVER

The mayors also are concerned about a proposal requiring teen-age parents to live with their parents.

"In some cases that may be the

worse thing to happen," said San Francisco Mayor Frank Jordan.

Meanwhile, mayors attending the criminal and social justice committee meeting hammered out the language for a 10-point resolution dealing with hate crimes and more cooperation between U.S. police agencies.

Chairman Emmanuel Cleaver II, the black elected mayor of Kansas City, Mo., said funding for promoting cultural diversity should come from private-public partnerships.

"Where your money is, your heart is also," Cleaver said. But other mayors balked at seeking federal funds or grants to help people respect diversity.

Portland Mayor Vera Katz said programs to instill tolerance should begin in public schools at an early age.

"Our schools should celebrate di-

versity," Katz said. "It should be built into the core curriculum. That doesn't cost anything."

Health and Human Services Secretary Donna Shalala was to speak to the conference on the president's plan Sunday, and the full conference will take up the resolution of support on the welfare plan Monday.

Stuart Tomlinson of The Oregonian staff contributed to this story.

President's welfare plan is modest start to a huge task

One problem with welfare reform is finding the money. A bigger problem is how to change attitudes.

By Gregory Spears
INQUIRER WASHINGTON BUREAU

WASHINGTON — Welfare reform is not for the impatient. Despite President Clinton's pledge to "end welfare as we know it," modest improvements may be as much as anyone reasonably can expect from his proposal.

Clinton estimates that 14 percent of adult welfare recipients under age 29 will have left the rolls by the year 2000 because of the reforms he proposed yesterday in Kansas City, Mo.

Gains would be modest because the states and federal government would have little additional money to spend on job training and education, according to welfare experts. The President proposes spending \$2.8 billion more over five years on education, job training and placement, far less than some of his advisors advocated earlier.

"Expecting large impacts without putting money into it is not realistic," said Sharon Long, senior research associate at the Urban Institute, a Washington think tank. "Education and training will not be cheap."

But even more difficult will be the task of changing attitudes. Successful efforts to reduce welfare dependence demand nothing less than convincing the discouraged and impoverished that they have a future worth striving for.

The surest path to welfare is to quit high school and have a baby outside

of marriage. Nearly three in four unwed teenage mothers will end up on welfare within five years. Never-married women are the group likely to be on welfare the longest.

"The fundamental and most effective way to prevent early childbirth is to help (young women) get to a place where they have some aspirations about themselves, their jobs and their careers," said Sid Johnson, executive director of the American Public Welfare League, an association that represents welfare workers across the nation. "That sounds simple. That's a big challenge."

When he recently toured a neighborhood where welfare dependence was widespread, Johnson said, he found that the fear of violence and crime eroded people's faith in the future.

"The expectation that they'd die by 20 or 25 was remarkably broad-based," he said.

Despite such attitudes, recent studies from California suggest that programs such as the President's, which emphasize practical job training and education to move welfare recipients into the workforce, do succeed — although slowly.

A study, being released today, of 24,758 participants in a California welfare-to-work program shows that their earned income was raised by an average of 22 percent over three years compared with those who were not enrolled in job training.

However, few worked their way off welfare. After three years, welfare payments to the group were reduced about 6 percent, compared with a control group of people not enrolled in the program.

"This is no a panacea. Lots (of participants) remain on welfare," said Judith Greisman of the Manpower

Demonstration Research Corp., a New York nonprofit firm that conducted the study. "But real accomplishments can be made."

In announcing his plan, Clinton acknowledged the difficulty of moving people off welfare.

"We know what the problems are. And we know they did not develop overnight. But we have to make a beginning. We owe it to the next generation," he said.

Clinton proposes to require young welfare mothers, born in 1972 or after, to participate in education and job-training programs similar to California's. If they failed to find a private-sector job after two years' training, they would have to take a community-service job paying minimum wage.

But many adults on welfare will find ways around these requirements, according to Chip Mellor, president and general counsel of the Institute for Justice, a conservative public-interest law firm critical of Clinton's plan.

"Every decision denying or delaying welfare benefits is subject to a formal appeal. That will be a litigation bonanza for the Legal Services Corp.," said Mellor, referring to the government-financed agency that provides legal services to the poor.

Those who participate in the job-training programs rarely will be paid enough to escape poverty, according to the Urban Institute's Long. Studies going back 15 to 20 years suggest that graduates of most training programs still get low-skill, low-paying jobs.

"At best, we should expect to see a small increase in earnings by welfare recipients," Long said. "People aren't going to work themselves off welfare."



The Cost of Welfare Reform

Here is how much President Clinton's welfare-reform plan will cost over five years, and how he proposes to pay for it.

Reform costs

- \$2.8 billion for education, training and job placement.
- \$1.2 billion for jobs for participants who reach the two-year time limit.
- \$2.7 billion for child-care spending for people in the mandatory education and training program and in the jobs slots.
- \$1.6 billion for child care for the working poor.
- \$800 million for initial investments to improve collection of child-support payments.
- \$300 million for teenage pregnancy prevention.
- \$1.7 billion in miscellaneous expenses, including an option for states to eliminate discrimination against two-parent families, for investments in automation, and for incentives to work and save.
- Total cost: \$10.6 billion, which is reduced \$1.6 billion — to a total of \$9.3 billion — by reductions in the number of welfare cases and by decreases in welfare fraud.

Paying for the reforms

- \$3.7 billion from tightening Social Security, Aid to Families With Dependent Children, and food-stamp sponsorship and eligibility rules for noncitizens.
- \$1.8 billion from a cap on each state's spending in the AFDC Emergency Assistance Program, a program that helps the homeless.
- \$800 million from limiting Social Security eligibility for drug- and alcohol-addicted recipients.
- \$500 million from ending subsidies for farmers with more than \$100,000 in nonfarm income.
- \$500 million from using an income test as a basis for meal reimbursements to family day-care homes.
- \$100 million from stopping increases in the amount of food-stamp overpayment recoveries that states retain.
- \$200 million by increasing fees for passenger processing and other customs services, as well as for

President Clinton announces his plan to overhaul the welfare system. Above him on the stage at a Kansas City, Mo., bank is a photograph of a former welfare recipient who was helped by a training program and who no longer is on assistance.

- railroad safety investments.
- \$1.8 billion transferred from the corporate Superfund tax for hazardous-waste cleanup.
- \$300 million from denying the earned-income tax credit to nonresident immigrants, plus other changes to the tax credit.

Associated Press

2 Philadelphia Inquirer 6.14.94

Page 2 of 2

Highlights of the Clinton Welfare Plan

- Spend \$9.3 billion over five years to do training, job care, job placement, prevention and public service jobs for welfare recipients.
- Leave the current welfare system largely intact to expire in 1997.
- Target education training on welfare recipients starting in 1997.
- Require those who are able to work to take approved public service jobs if they don't get a job on their own after two years on welfare.
- Allow recipients to remain in public, state, local, federal and private employment.
- End welfare benefits for those who refuse to go to school, look for work, or to be trained or do a job offer.
- Guarantee child care to welfare recipients during education training programs and for one year after they leave welfare to the workforce.
- Allow states to offer additional benefits for children conceived by women on welfare.
- Initiate a national campaign against teen pregnancy, provide grants to about 1,000 middle and high schools for teen pregnancy programs.
- Discourage unwed motherhood among teens by refusing to issue

215 595 0328

06-17-94 08:12AM P004 #50

Reforming welfare won't be easy

President Clinton's centrist plan may not elicit enough support to make it through Congress.

By Rosalind Wiseman
LOS ANGELES TIMES
WASHINGTON

The welfare-reform plan that President Clinton released Tuesday sits squarely in the center of public opinion on this historically divisive issue, according to several recent polls. But that may not be enough to guarantee the proposal a majority in Congress.

The coming debate over welfare reform — which will remain muted until Congress finishes action on health care — is likely to illuminate the difficulties of translating a consensus outside the nation's capital into a consensus among the interest groups, elected officials and political strategists who shape the legislative process inside the Washington Beltway.

Within hours of its release, Clinton's plan was under intense assault from liberals as too harsh and from conservatives as too soft. "This is a pretty conservative plan," said Roberta Ikemi, a staff attorney at the California Women's Law Center in Los Angeles. "I have some grave worries about whether this is a disguised way of punishing women."

Meanwhile, William Bennett, education secretary under Ronald Reagan and an unimpeachable conservative, dismissed the plan as "a joke, a half fraud ... marginal tinkering."

Only the rare voice in the middle praised the program: Will Marshall, president of the Progressive Policy Institute, a centrist think tank, hailed it as "radical, yet constructive change."

Welfare reform may be Clinton's hardest test

Overcoming these impulses toward polarization will make welfare reform the sternest test of Clinton's aptitude — and willingness — to forge a new centrist coalition for change that transcends what he has

called "the brain-dead politics in both parties."

"The problem is you now go into a congressional process that is driven by political factions ... that are not connected to what is happening in the country," said Stanley Greenberg, Clinton's pollster.

Over the last 30 years, few issues in American politics have been more divisive than welfare. Conservatives, like Reagan, have routinely disparaged recipients as greedy, indolent "welfare queens," while many liberals have reflexively labeled all critics of the system as uncaring and racist.

The premise of Clinton's presidential campaign — influenced heavily by ideas in journalist E.J. Dionne's book, "Why Americans Hate Politics" — was that the "false choices" in that ritualistic debate alienated most Americans.

The promise of Clinton's approach to welfare was that by fusing traditionally liberal ideas of increasing spending on education and training with the conservative demand for work (embodied in his call for a two-year time limit on benefits) he would build a new consensus for reform.

Polarization appears to drive the political system

But it remains uncertain that the

political system can deliver change that reflects the broad consensus in public opinion. If there is any lesson in Clinton's first 27 months in office, it is that Washington actively resists consensus. On issues from health care to deficit reduction to crime, polarization has appeared to be the oxygen of the political system — equally indispensable as an organizing tool for liberals and conservatives alike.

To many observers, Clinton has exacerbated this problem by vacillating in his legislative and political strategy.

"There is a conceptual Rubicon that this administration hasn't yet crossed toward a strategy that builds coalitions across the center of the spectrum rather than from the left in," said Marshall.

That hesitancy is reflected in some compromises in the welfare plan, critics said.

Republicans, for instance, complained that Clinton has undermined his two-years-and-out pledge by allowing welfare recipients to remain on public employment indefinitely if they cannot find private sector work. "I think people want some real time limits here," said Rep. Rick Santorum, R-Pa., who led a task force that produced the principal GOP welfare proposal.

WELFARE HIGHLIGHTS

Here are highlights of the welfare-reform plan:

- Spend an additional \$3.5 billion over five years on job training, child care, teen pregnancy prevention, public-service jobs and other programs for welfare recipients.
- Target education and training for welfare mothers born in 1972 or later. Leave funding system largely intact for welfare mothers born before 1972.
- Require mothers born in 1972 or later to work in taxpaying, franchised public-service jobs paying the minimum wage if they fail to find jobs on their own after two years on welfare. Allow them to remain in public-service jobs if they can't find private employment.
- Initiate a national campaign against teen pregnancy, working with middle and high schools. Refuse to issue separate welfare checks to minor living apart from their parents or a responsible adult. Allow states to limit additional benefits for children conceived by women on welfare.
- Require hospitals to establish paternity at birth as a way to improve child-support collection. Establish national registries of parents who owe child support. Withhold wages and suspend professional and occupational licenses and driver's licenses from parents who fail to pay child support.

Clinton predicts that by 2000, if his plan is approved:

- Fourteen percent of parents under age 25 who would still have been on welfare without reform will have left the rolls.
- Nine percent of welfare mothers under age 25 will be working part time in private-sector jobs, compared to 6 percent today. An estimated 17 percent of welfare mothers under 25 will be working in public-service jobs.

Clinton's welfare proposals amount to a 'culture reform'

Targets cycle of teen moms, 'deadbeat dads,' long-term dependence on aid

By James W. Broasian
SCOTT HOWARD NEWS SERVICE

WASHINGTON — The welfare reform proposal that President Clinton plans to offer this week might better be called "culture reform."

It is not just designed to fix a program. It is intended to break a cycle of teenage welfare mothers raising children in homes where a father is seldom seen and a grown-up rarely goes to work.

Clinton is proposing to meet his pledge to "end welfare as we know it" with only a modest investment in new dollars: less than \$10 billion over five years.

But the meat of the plan is in the rules of behavior.

Welfare mothers under age 25 are the chief target of new work requirements. Absent dads, both rich and poor, would be affected under new child support laws. And new immigrants would be cut off from some government aid programs entirely and the money used instead to pay for training and day care services for young welfare mothers.

Under the plan:

► Fathers who lag on child support payments will be placed on a national register of "deadbeat dads" so states can garnish their wages no matter how far from home they roam.

► Before unwed mothers leave the hospital they will be asked to name the father of their child, or risk not getting any benefits. If they're under 18 and unwed they won't get a welfare check unless they live at home or with a responsible adult. Even the grandparents could be tapped for child support.

► Any American born after 1971 will be promised no more than two years of direct cash assistance, education and training. They will have to sign a "responsibility" contract, pledging to take a job if offered. If they can't find a job after two years, the states would fund one for them, either public service or a subsidized job with a private employer.

"In some sense we're completely transforming our whole way of thinking about supporting families. We're trying by reinforcing work and responsibility and really focusing on young people," said David Ellwood, an assistant secretary of Health and Human Services and one of the plan's principal authors. Welfare "may not be a huge drain on the federal budget, but it is certainly one that everyone agrees is broken," he said.

13.6 million recipients

This welfare program — known formally as Aid to Families with Dependent Children — costs the federal government about \$12 billion a year. That is \$2 billion less than the space program and about the same amount that Medicare increases each year.

State governments chip in with another \$10 billion, about 2 percent of their total budgets.

The money goes to 4.4 million adults and 9.2 million children — more than ever before. But the size of the average welfare family has dropped.

In 1969, the typical welfare family was a single mother and three children. Now it's a single mother and two children. Only 10 percent of welfare families have four or more children.

Maximum benefits for the typical three-person welfare family range from \$120 a month in Mississippi to \$923 a month in Alaska. Adjusted for inflation, the average benefit for a three-person family has dropped from \$644 in 1970 to \$388 in 1992.

More than half of all welfare mothers began receiving welfare as teenagers and that's where Clinton hopes to nip dependency. About 70 percent of recipients leave welfare within two years now, but half of them are back on welfare within a year.

About 39 percent of welfare families are headed by an African American, 38 percent are white, 17 percent are Latino and the rest are Asian, native American or another ethnic background.

The reason politicians badly want to fix a problem of such modest budget proportions is that welfare symbolizes a deeper cultural problem, said Harvard University sociologist Nathan Glazer.

"Welfare has come to stand for the rise of a permanent dependent

2000
2000
2000

population that is cut off from the mainstream of American life and expectations, for the decay of the inner cities, for the problem of homelessness, for the increase in crime and disorder, for the problems of the inner-city black poor," Glazer said at a recent welfare reform conference.

In the 1970s, welfare reformers exempted mothers with children under age 6 from workfare requirements. In the 1980s the age was changed to 3.

Subsidized jobs

In the Clinton plan, a mother goes to work when the child is a year and a day old. If the child is born after a mother starts receiving benefits, she goes to work when the child is 12 weeks old.

Clinton also would let states decide how fast to implement the work requirement, based on their ability to provide day care and training for recipients. They could decide whether to create public service jobs or offer wage subsidies to private employers.

States differ in the strength of their economies and mix of welfare population. Elwood noted in arguing for flexibility.

One final decision remaining for President Clinton is how long to let someone remain in a subsidized job. It's already been decided that the recipient would not qualify for the Earned Income Tax Credit like other low-wage earners and also that she could not stay in the same subsidized job for longer than one year.

Seattle Post-Intelligencer, Wednesday, June 15, 1984

Immigrants fear a welfare backlash

By Evelyn Brund
Seattle Post-Intelligencer

When Van Chu went back to Washington, D.C. for the inauguration of President Clinton, he believed he was celebrating the election of a man who was sensitive to the problems of the poor and powerless.

But after yesterday's announcement on the president's welfare reform proposal — which would make it tougher for legal immigrants to get government benefits — Chu is not so sure.

"Some people feel he didn't keep his promise," said the 57-year-old Chu, who fled Vietnam in 1978.

Immigrant and refugee groups in Seattle said yesterday that the Clinton welfare plan is just the latest example of a growing anti-immigrant sentiment in the United States. They vowed to work against efforts in Washington, D.C., and elsewhere to reduce government benefits for immigrants.

"Today, as we head for the 21st century, immigrants are once again being made the scapegoats for the nation's economic ills," said State Rep. Verma Vebora, D-Seattle.

Vebora said immigrants pay far more in taxes than they see in government services, according to

a study by the Urban Institute, a Washington, D.C., think tank. That same report shows that the welfare dependency rate of immigrants is 27 percent lower than the native-born population.

Advocates said political refugees, who use the welfare system at a higher rate than the native-born, arrive in the United States under traumatic conditions with no resources or means of support.

Juan Jose Gutierrez, director of the One Stop Immigration and Educational Center in Los Angeles, said the anti-immigrant campaign reflects racist attitudes aimed at closing the borders to Haitians, Hispanics, Asians and other minorities.

"That's the reality we are dealing with today," he said. "America, a country founded by immigrants, has suddenly created an immigration problem."

Gutierrez and others called on the administration to devote more resources to helping newcomers become citizens by providing language lessons and assistance in

navigating the citizenship process.

"I see us going to Somalia and other places around the world to promote democracy," he said. "What are we doing about it here in America?"

But a White House spokesman said yesterday that the welfare reform proposal was carefully crafted to avoid hurting immigrants who were in the country legally and intent on becoming productive citizens.

For example, he said, a proposed two-year limit on welfare benefits has an exemption for those who have difficulty finding jobs because of language barriers.

He said the president's plan restricts health and welfare benefits, such as food stamps, Medicaid and Social Security, only for

legal immigrants with relatives who could support them. The plan extends from three to five years the length of time a financial sponsor must support an immigrant, unless the sponsor is poor.

"To us it's unconscionable to deny equal protection under the law to permanent legal immigrants who are playing by the rules," he said.

They Vu, director of the state's Division of Refugee Affairs, said Clinton's welfare proposal would hurt one of the most vulnerable groups of immigrants, the elderly. Most elderly immigrants come to the United States through the family reunification program and are sponsored by their children. Vu said many of these sponsors cannot afford to pay for health care coverage for their elderly parents.

After their sponsorship ends, many of these immigrants sign up for supplemental security income, a welfare program for the elderly. Vu said many of these people apply for the program because of the medical coverage and not the monthly stipend.

Immigrants are once again being made the scapegoats for the nation's economic ills.

— Rep. Verma Vebora, D-Seattle

STATE JOURNAL REGISTER (IL); 6/16/94

Clinton's plans to reform welfare draw mixed reactions

Critics say children will be punished by two-year limit

By KEVIN McDERMOTT
STAFF WRITER

Politicians and social service advocates throughout Illinois Wednesday began sizing up President Clinton's welfare reform plan, with accolades for its job-training provisions but concern that the proposed "two-years-and-you're-out" clause will punish children.

Clinton on Tuesday unveiled the five-year, \$9.3 billion welfare reform package centering on a two-year limit on certain cash benefits. The plan, which Clinton has vowed will "end welfare as we know it," still must be approved by Congress.

In Illinois, the reforms could potentially affect more than 700,000 welfare recipients, including almost a half-million children.

Under the plan, women born after 1971 would receive education, training and job-placement services.

Those who failed to find work after two years would be required to accept subsidized jobs paying minimum wage, or lose all benefits.

Social organizations for the poor generally oppose the plan, largely because of the two-year limit on cash benefits.

One of those groups, Women for Economic Security, conducted a Statehouse press conference Wednesday to slam the proposal, handing out paper tags in the shape of stop signs reading "No Time Limits." The group has launched a statewide campaign calling for the defeat of the proposal.

"We want welfare reform," said Mary Hartsfield, co-chair of the Chicago-based group. But she added: "(Recipients) should be led off (welfare), not kicked off."

"This is not an answer — this is definitely not an answer," said Ethel Butchek, executive director of Contact Ministries in Springfield, which aids welfare recipients. Like other critics, she zeroed in on the two-year limit.

"We believe everybody that can work should work, but we're also realistic. When this money is taken

away, the whole family is punished. What happens to the children? Where are these jobs going to come from?"

Clinton's plan centers on women and children, particularly the 14.3 million who receive monthly checks from Aid to Families with Dependent Children (AFDC), the main federal welfare program.

In Illinois, there were 730,100 people on AFDC as of April, including 498,653 children.

Here as elsewhere around the country, some of the usual partisan lines were hard to find after announcement of Clinton's plan.

Gov. Jim Edgar, a Republican, backed the plan and commended the Democratic president "for tackling this important issue."

U.S. Sen. Carol Moseley-Braun and U.S. Rep. Richard Durbin, both Illinois Democrats and Clinton allies, were more tepid.

"There are many features of the President's plan that I support," Moseley-Braun said. "(But) I am less convinced that mechanisms such as strict time limits" will work. Durbin

last week expressed similar reservations. "Strict time limits" will work. Durbin last week expressed similar reservations.

However, state legislators say public demand for welfare reform has become overwhelming.

"People are all saying the same thing: Welfare has to turn around," said state Rep. Michael Curran, D-Springfield. "Too many people are taking advantage of this, and it has become a habit.

"I think two years is probably the way government has to compromise," he said. "It may be the only way government can find some middle ground."

"It certainly makes a lot of sense," state Sen. Karen Basara, R-Springfield, said of the two-year provision.

In addition to the two-year limit on cash assistance, Clinton's \$9.3 billion plan would require teenage mothers to live at home and stay in school, look for work or attend job-training programs; launch a \$400 million campaign against teen pregnancy; require hospitals to establish the identity of babies' fathers at birth; and

institute aggressive new tactics to go after parents who are delinquent on child-support payments.

Some social service professionals say requiring young mothers to stay home is naive when conditions in the home are often part of the problem.

"We need a face-to-face, case-by-case judgment" of how to best handle those situations, Butchek said.

Less controversial is the Clinton plan's call for tougher penalties on parents who skip out on child-support payments.

"Of all the reforms, that's the one where we can probably recapture the most money," said Basara.

Clinton's Plan Has Several Pitfalls, Welfare Recipients Say

By Roger Signor and Cynthia Todd

By the Post-Dispatch Staff
 President Bill Clinton's plan to reform welfare drew high marks from Missouri officials and experts for its emphasis on job-training programs.

But recipients of welfare here say that Clinton and the experts failed to recognize the dearth of jobs with decent pay and benefits.

Gary Stangler, head of Missouri's Department of Social Services, says Clinton's proposal reinforces the state's own plan to get people off welfare and into jobs.

Like Clinton's plan, the state's program sets a two-year limit on welfare payments.

The state plan, passed by the Legislature earlier this year, will spend \$16 million in state and federal money. Nearly half of that is earmarked for job-training and day care, state officials say.

"We agree with President Clinton in making teen-aged mothers the top priority in welfare reform," Stangler said in a telephone interview. "If we're going to break the cycle of dependency on welfare, that's where we're going to break it."

But young women who've been on welfare doubt the reform packages hold enough to break the cycle.

"The plan's not comprehensive enough — people need more than a job," says Rodin

Acree, a single parent who lives in Mexico, Mo. In two weeks Acree, 33, will end eight years on the welfare rolls.

She said she's already done everything that Clinton is now asking. First, she got a loan to earn a bachelor's degree in communications from the University of Missouri at Columbia. Then, she got two part-time jobs that pay her about \$1,400 a month.

That gets her off welfare. But it isn't enough to support herself and her three children, ages 16, 14 and 11. She spends \$1,050 a month for rent, utilities, food and her loan payments. On July 1, her income also makes her ineligible for Medicaid, the state-federal program that pays medical bills for the poor.

But she can't afford the \$370 monthly premiums that private health insurance will cost her. Acree's premiums are high because she has a chronic health problem.

Two women from Pine Lawn say Clinton's approach won't work because jobs are too scarce and the ones that are available pay too little. Neither woman gets child support from the father of her child.

Carmen Bailey, 27, says she was trained by Grace Hill Neighborhood Center for a job with the center. But her \$900-a-month income isn't enough to support her and her son, James, 8. "If I could get food stamps, we would make it — but my income makes me ineligible for the stamps," Bailey said.

Connie Jackson, 36, also took a loan to get training as a nurse's aide. She left the welfare rolls in the late 1980s after she got a job in a nursing home to support herself and her son, Charles, now 14.

Her \$1,000-a-month income was just enough to pay her rent, utilities and food bills, she said. But after she injured her back on the job, her employer replaced her. Now, she's back on welfare. She gets Medicaid and food stamps.

"Some people think giving on welfare is easy — but it's hard," said Jackson, who gets \$234 a month — enough only for rent and utilities. "I can't buy new shoes or clothes for my son."



June 24, 1994

WR -
~~LETTERS OF~~
~~SUPPORT~~
ENDORSEMENTS

TO: Distribution (see below)
FROM: John Monahan *[Signature]*
Margaret Pugh *[Signature]*
SUBJECT: Intergovernmental Welfare Reform Letters and Statements

For your files, attached you will find a complete set of press releases and statements received from intergovernmental interest groups and elected officials since the President's announcement of the Work and Responsibility Act last week. Also attached you will find an updated list of organization press contacts and surrogates willing to talk about the President's legislation. We will make sure that you receive any future statements of this kind in the Welfare Reform Working Group's daily report. Please feel free to call if you have questions.

DISTRIBUTION

Mary Jo Bane
David Ellwood
Bruce Reed

NHS:
Emily Bromberg
Avis LaVelle
Wendell Primus
Melissa Skolfield
Patricia Sosa
Rich Tarplin

WHITE HOUSE:
Joan Baggett
Jeremy Ben-Ami
Susan Brophy
Alexis Herman
Keith Mason
Kathi Way

June 24, 1994

IGA WELFARE REFORM CONTACT LIST

NATIONAL GOVERNORS' ASSOCIATION

STAFF CONTACTS: Ray Scheppach, Executive Director, 202/624-5300
Barry Van Lare, Policy Director, 202/624-5342

PRESS CONTACT: Rae Bond, 202/624-5300

ELECTED OFFICIALS: Governor Tom Carper (D-DE), Co-Chair of the
NGA Welfare Reform Task Force, contact:
Liz Ryan 202/624-7724
Governor Zell Miller (D-GA), Member of NGA
Welfare Reform Task Force, contact: Ed
Kilgore 404/651-7768
Governor Evan Bayh (D-IN), Member of NGA
Welfare Reform Task Force, contact: Jeff
Viehl 202/628-3343
Governor Howard Dean (D-VT), Vice Chair of
the NGA, contact: Kathy Hoyt 802/828-
3333

AMERICAN PUBLIC WELFARE ASSOCIATION

STAFF CONTACT: Sid Johnson, Executive Director, 202/682-0100
Elaine Ryan, Government Affairs Director,
202/682-0100

PRESS CONTACT: Kathy Patterson, 202/682-0100

NATIONAL CONFERENCE OF STATE LEGISLATURES

STAFF CONTACT: Sheri Steisel, 202/624-5400

PRESS CONTACT: Susan Seladones, 202/624-5400

ELECTED OFFICIALS: State Representative Bill Purcell (D-TN),
Chair of NCSL Human Services Committee,
615/741-1778
State Representative Jane Campbell (D-OH),
Co-Chair of NCSL Welfare Reform Task
Force, 614/466-5441
State Assemblyman Tom Bates (D-CA), Co-Chair
of NCSL Welfare Reform Task Force,
contact: Carol Wallisch 916/445-7554
State Assemblyman Wayne Bryant (D-NJ),
contact: Valerie Wallace, 609/757-0552

NATIONAL ASSOCIATION OF COUNTIES

STAFF CONTACT: Marilina Sanz, 202/393-6226

PRESS CONTACT: Tom Goodman, 202/393-6226

ELECTED OFFICIALS: Webster Guillory, Chairman of the National Organization of Black County Officials (NOBCO) Board of Directors, 714/834-2734
Kay Beard (D-Wayne County, MI), Co-Chair of NACo Welfare Reform Task Force, 313/224-0902

NATIONAL LEAGUE OF CITIES

STAFF CONTACT: Barri Tabin, 202/626-3020

PRESS CONTACT: Randy Arndt, 202/626-3020

ELECTED OFFICIALS: Mayor Sharpe James (D-Newark, NJ), President of the NLC, contact: Pam Goldstein 210/733-6400

U. S. CONFERENCE OF MAYORS

STAFF CONTACT: Tom Cochran, Executive Director, 202/293-7330
Laura Waxman, 202/393-7330; in Portland: 503/226-9477

PRESS CONTACT: Laura Waxman, 202/293-7330 or 503/226-9477

ELECTED OFFICIALS: Mayor Bruce Todd (D-Austin, TX), Chair of USCM Human Services Committee, contact: Laura Waxman 202/293-7330 or 503/226-9477
Mayor Emanuel Cleaver (D-Kansas City, MO), contact: Mary K. Vaughan 816/274-2397
Mayor Michael White (D-Cleveland), contact: Cheryl Davis 216/664-2220
Mayor Norm Rice (D-Seattle), contact: Tom Tierney, 206/684-8260

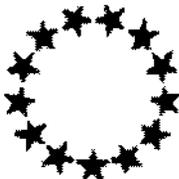
**NATIONAL
GOVERNORS'
ASSOCIATION**

Carroll A. Campbell Jr.
Governor of South Carolina
Chairman

Raymond L. Schuppert
Executive Director

Howard Dean
Governor of Vermont
Vice Chairman

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1312
Telephone (202) 624-5000



June 14, 1994

Statement on President Clinton's Welfare Reform Proposal

The National Governors' Association supports the principles embodied by President Clinton's welfare reform proposal, which builds on lessons learned in state welfare initiatives. We believe that such state experimentation will continue to be critical to national progress in welfare reform. We also believe that comprehensive reform must be accompanied by a commitment to allow states to complete already approved demonstration projects.

The President's proposal builds on the 1988 Family Support Act and incorporates many of the reform principles endorsed by the Governors:

- Welfare as a transition to self-sufficiency
- Assistance for those not yet ready for employment or training
- Time-limited cash assistance, including education and training to help prepare for work
- Improved child care and Earned Income Tax Credits for low-income working families
- Enhanced interstate child support enforcement
- Expanded programs to encourage family stability and limit teen pregnancy
- Increased state flexibility in program design
- Improved coordination between Aid to Families With Dependent Children (AFDC) and Food Stamps
- Enhanced federal financing, including lower state matching rates

We believe welfare reform is an essential component in restoring responsibility and stability to the American family. The President's proposal is a positive contribution to the welfare reform debate and we particularly welcome its focus on incentives for work and time limits for cash assistance for those able to work.

The Administration consulted extensively with states and localities in developing the welfare reform proposal, and we commend the President and his Working Group on Welfare Reform for their commitment to an open consultation process. Like the Governors' policy, the President's proposal recognizes the importance of work as an alternative to welfare and includes numerous elements designed to enhance state ability to prepare and place recipients in work.

Throughout our discussions, the states have emphasized the importance of flexibility and continued innovation. There is no one-size-fits-all solution to welfare, and states must have the flexibility to develop programs and services that will address the unique characteristics of our welfare populations and economic conditions within our individual states. We applaud the President's efforts, within the framework of his plan, to afford states specific options to try different approaches without having to apply for waivers. These state options include making

work pay by expanding earned income disregards and providing advance payments of the Earned Income Tax Credit.

States have invested considerable time and effort in the development of experiments to test a variety of reform initiatives, including many approved by the administration. We must emphasize, however, the importance of allowing states to complete the welfare demonstrations currently underway through waivers and to look favorably on new waiver applications.

Welfare is a complex program. The fundamental changes sought by the President and the Governors will require the enactment of a law that clearly recognizes the balance between the federal role in defining basic policy objectives and the state and local role in crafting the procedures and processes needed to obtain those objectives. The NGA will work closely with the administration and the Congress to ensure that the balance is achieved. Final federal legislation must not become overly prescriptive or detailed.

It should be noted that NGA has not yet seen legislative language and that individual Governors may have additional comments on specific issues as that language becomes available for review.

Our policy does not address specifically the issue of financing. States are concerned, however, that current program costs, such as the cost of assistance to immigrants without other resources, not be shifted to the states in order to pay for the federal share of welfare reform. We will be doing additional analysis of the financing mechanisms as details become available in order to determine the financial impact on states. We are also concerned about any sanctions that would penalize states for failing to adopt mandated intrastate child support procedures or reduce the federal match for basic assistance, such as for failing to meet employment program performance standards. We believe there is a shared federal-state responsibility for providing basic benefits, and we are concerned about a precedent of this kind.

In summary we support the principles in the President's proposal. The Governors note that there are other proposals currently before the Congress that also incorporate a number of these principles and urge Congress to take advantage of this apparent momentum to enact welfare reform as quickly as possible that reflects the Governors' principles and addresses our concerns. We look forward to working with the Administration and Congress to this end.



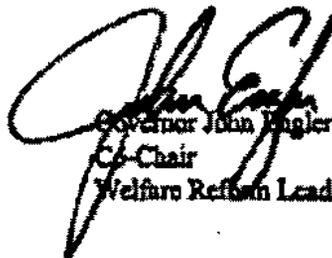
Governor Carroll Campbell
Chair



Governor Howard Dean
Vice Chair



Governor Tom Carper
Co-Chair
Welfare Reform Leadership Team



Governor John Engler
Co-Chair
Welfare Reform Leadership Team

STATE OF COLORADO

EXECUTIVE CHAMBERS

136 State Capitol
Denver, Colorado 80203-1797
Phone (303) 844-7477



June 14, 1994

Ray Romer
Governor

The Honorable William Clinton
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20510

Dear Mr. President:

I want to add my strong support to your efforts to restructure our nation's welfare system. It is important that we change from the current system of writing checks to one focused on helping employable adults move rapidly into productive work and improving the long-term self-sufficiency of families.

Most families in Colorado leave the Aid to Families with Dependent Children (AFDC) program within one year. However, many of these families face barriers such as lack of health insurance, inadequate child care or low paying jobs that force them to return to AFDC. Welfare reform must recognize and address these underlying factors to provide real opportunities for self-sufficiency.

As you know, earlier this year, Colorado was granted a waiver by your administration to begin one of the nation's most stringent and innovative welfare reform programs. Under this pilot program, AFDC recipients who refuse to enter job training or to take a job will be permanently removed from welfare rolls after two years. In addition, participants will be given a cash amount to purchase food, rather than food stamps. I appreciate having the opportunity to move forward with these programs, which we hope will help Coloradans get off welfare and stay off it. We look forward to continuing to work with your administration to develop effective strategies for implementing welfare reform in Colorado and the nation.

I would also like to take this opportunity to share with you some of my concerns about welfare reform. First, I am concerned that welfare reform may present significant economic challenges to the states. I agree that long-term self-sufficiency efforts will require an investment of resources. However, Colorado, as many other states, is not in the position to implement new federal mandates without sufficient federal funding. States must be given enough flexibility to implement reform within the resources that are available.

Page Two

Second, I am concerned that proposed reforms not assume that any type of job is better than no job. "Make-work" or jobs that will disappear when subsidies run out will not solve our real problems. In addition, if welfare recipients are perceived as taking jobs from others who are marginally employed, the reform effort may be seen as further impoverishing another group of citizens. Colorado is prepared to work with the administration to develop effective job development strategies.

Finally, I agree that personal responsibility for support of children is extremely important. A strong emphasis on child support enforcement will have a positive effect on children and family self-sufficiency. I am encouraged to see that some costs for these changes will be addressed with enhanced federal funding.

In conclusion, I am strongly committed to welfare reform and support your efforts to "end welfare as we know it." Thank you for the opportunity to participate in this important initiative and for your consideration of my concerns.

Sincerely,



Roy Romer
Governor

RR:wkg



STATE OF DELAWARE
OFFICE OF THE GOVERNOR

NEWS

FOR IMMEDIATE RELEASE
Tuesday, June 14, 1994

FOR FURTHER INFORMATION
CONTACT: Sheri L. Woodruff
(302) 739-4101 Dover
(302) 378-7800 Home
(302) 575-6800 Pager

THOMAS R. CARPER
GOVERNOR
LEGISLATIVE HALL
DOVER, DELAWARE 19901
(302) 739-4101
FAX (302) 575-6800

GOVERNOR CARPER ISSUES STATEMENT PRAISING
CLINTON ADMINISTRATION'S WELFARE REFORM PACKAGE

(Dover, Del.) -- Governor Thomas R. Carper today announced his strong support for the broad principles embodied in President Clinton's welfare reform package, expected to be unveiled later today in Kansas City, Missouri.

According to Carper, "I strongly support the principles incorporated in President Clinton's welfare reform package and am pleased to see that it closely mirrors policies we seek to implement here in Delaware. The people of Delaware and this country will be well-served by the Administration's proposed plan, in light of its emphasis on: encouraging individual responsibility by requiring clients to enter into mutually agreed-upon contracts that outline goals and expectations; expanding client participation in Job Opportunities and Basic Skills programs such as Delaware's nationally-acclaimed "First Step" initiative; and emphasizing 'work over welfare.' Just as important, the Clinton Administration plan provides additional funding and incentives to support the transition from welfare to work, including increased child care and added tools for states to improve child support collection."

JUN-14-94 MON 10:53

OFFICE OF THE GOVERNOR

FAX NO. 13027392775

P. 03

-- 2 --

Carper continued, "President Clinton should be commended for his leadership and creativity in developing a reform plan that provides Americans with the opportunity to improve their lives and achieve self-sufficiency. Because the Administration consulted closely with governors and their program directors in developing this proposed package, the recognition that there is no 'one-size-fits-all' solution to this challenge will serve states well by allowing them to craft programs based upon the specific needs of their residents. This flexibility, illustrated by the President's inclusion of several state options within his plan, allows states more latitude than has previously been the case to solve their own problems and to address their particular challenges head-on."

Governor Carper is the Democratic co-chair of the National Governors' Association (NGA) Welfare Reform Leadership Team. The 12-member working group explores welfare reform policy and programming from around the country and is working to build bipartisan consensus around a national plan on behalf of the NGA.

-- 30 --

GOVPRESS 685

**STATEMENT OF GOVERNOR ZELL MILLER OF GEORGIA
ON PRESIDENT'S WELFARE REFORM PROPOSAL**

In 1992, candidate Bill Clinton promised to "end welfare as we know it." With the proposal announced today, President Clinton has moved to redeem this pledge, and has made welfare reform a top legislative priority for Congress.

As the Governor of a state which has led the nation in welfare reform, I welcome the President's proposal. It offers welfare recipients a clear path into productive work in the private sector, and it requires all Americans to play by the same rules and take personal responsibility for their lives.

I am especially pleased that the President has incorporated into his proposal so many of the reforms pioneered here in Georgia, including strong child support enforcement measures, a requirement that minor mothers on welfare remain at home, and the ability to limit payments for additional children without the complicated and burdensome process of securing a waiver from federal agencies.

The President's proposal should receive immediate attention in Congress.



EXECUTIVE CHAMBERS
HONOLULU

JOHN WAIHEE
GOVERNOR

June 14, 1994

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

I am writing to express my support for your proposal on welfare reform. The mood of the nation regarding the receipt of welfare benefits has shifted, thus necessitating new strategies to assist families to become self-sufficient. Your concept of a two-year limit is a bold proposal which will challenge both the families who receive Aid to Families with Dependent Children (AFDC) assistance as well as the states to strive even harder to assist families to become independent of public assistance. I applaud your courage to change a system that has gone unchanged for so many years. I also thank you for seeking the input and support of the Governors in drafting this sweeping reform. Your current proposal, to focus on teen parents and to help AFDC families to get changes that will not require them to return to the welfare rolls shows your broad-based concern for the factors that lead to dependence on government.

In the months ahead, as your proposal works its way through Congress, you can count on my support for your welfare reform plan. It is only by working together at the federal and state levels that we can have cohesive policies that will benefit the families of this nation.

Thank you for your thoughtfulness and hard work that has led to this reform proposal. America's families will be better off because of your vision which has been followed by timely action.

With kindest regards,

Sincerely,

A handwritten signature in cursive script that reads "John Waihee".

JOHN WAIHEE



OFFICE OF THE GOVERNOR

STATE CAPITOL

BOISE 83720-1000

CECIL D. ANDRUS
GOVERNOR

(208) 334-2100

June 9, 1994

The Honorable William F. Clinton
President
The White House
Washington, D. C. 20510

Dear Mr. President:

Like you, I have observed the operation of the welfare system over many years and have concluded that, in most cases, it does not lift citizens up into a new, self-supporting way of life but only makes them slightly more comfortable in their poverty.

In reviewing your plan for welfare reform, it seems to me it is right on target in requiring recipients to regard it as only a temporary measure while they acquire the training and experience to become independent. Somewhere along the line, a program that was designed to help people face a temporary income shortfall has turned into the "dole," and your proposal makes the right course correction to turn it, instead, into a program designed to empower people and enable them to stand on their own.

I support your proposal and have instructed the Idaho Department of Health and Welfare to assist however it can to adapt the program to Idaho's needs and to cooperate fully in helping make it a reality.

With best wishes for success,

Sincerely,

A handwritten signature in black ink, appearing to read "Cecil D. Andrus".
Cecil D. Andrus
Governor

CDA:cw



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

BRERETON C. JONES
GOVERNOR

THE CAPITOL
700 CAPITAL AVENUE
FRANKFORT 40601
(502) 564-2611

June 13, 1994

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I want to thank you and congratulate you on your commitment to undertake welfare reform. As you know, we have discussed the need for meaningful welfare reform since the early days of your administration. I also want to thank you for giving other Kentucky officials the opportunity to participate in discussions with your office on this important subject. We feel that the partnership we are developing will allow both of us to accomplish our goals in this important area. Also, I am most impressed by your willingness to allow the states to exercise flexibility in coordinating their own initiatives in partnership with the federal government.

Please accept this letter as my endorsement of your efforts and my commitment to continue to work with you on these and other matters for which we share a common concern.

With best regards, I am

Sincerely,


Brereton C. Jones

(srb)



State of Louisiana
Department of Social Services
OFFICE OF FAMILY SUPPORT
755 RIVERSIDE NORTH
P. O. BOX 94065 - PHONE - 804/342-3958
BATON ROUGE, LOUISIANA 70804-4065

EDWIN W. EDWARDS
GOVERNOR

GLORIA BRYANT-BANKS
MSW, ACSW, BCSW
SECRETARY

June 13, 1994

Welfare Reform Working Group
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20510

RE: Talking Points: Overall Plan,
State Issues: Financing, Flexibility,
and Waivers, Waivers

ATTN: Keith Mason

Dear Mr. Mason:

I agree in principle with the approach you are taking to these issues.

Sincerely,

Howard L. Prejean
Howard L. Prejean
Assistant Secretary

HLP/cdp



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

MARIO M. CUOMO
GOVERNOR

June 14, 1994

Mr. President:

I commend you for making welfare reform one of your Administration's top priorities and for tackling this complex and critical issue. Many of the themes and principles embodied in your proposal are consistent with New York's own welfare reform initiatives, and I support your efforts to promote the value of work, responsibility and self-sufficiency. I share your aim to make public assistance transitional, with its primary focus on jobs.

The program that you have outlined is certainly a laudable proposal for achieving our shared goals. Although there are certain fiscal and program issues of concern to New York, we plan to work with members of your Administration and the Congress to resolve them.

I look forward to working with you to address these matters and to meet the goal of reforming the welfare system.

Respectfully,

Mario M. Cuomo

The President
The White House
Washington, D.C. 20500



OFFICE OF GOVERNOR DAVID WALTERS
STATE OF OKLAHOMA
212 State Capitol - Oklahoma City, OK 73105

NEWS RELEASE

FOR IMMEDIATE RELEASE
Tuesday, June 14, 1994

CONTACT: Steve Hill
Press Secretary
(405) 523-4251

GOVERNOR WALTERS SUPPORTS CLINTON'S WELFARE REFORM PACKAGE

Washington, D.C. — Governor David Walters announced his support for President Clinton's welfare reform package that the President unveiled today in Kansas City, MO.

"I support the President's efforts to reform welfare. The State of Oklahoma has sought regulatory reform in the past to avoid unnecessary and duplicative federal intervention as we try new approaches to solving problems. If the President's plan is enacted, Oklahoma will be able to move forward with these changes," Governor Walters said.

In particular, the Governor said he "supports the President's principle of time-limited benefits, coupled with more education and training. Also, the principle allowing increased flexibility for the states in program design leaves behind a one-size-fits-all mentality that has inhibited state innovations. This will enable us to solve our own problems, different from those of most other states. Oklahoma currently has five welfare reform pilot test proposals around the state that we would like to see implemented."

"Just as important, the Clinton plan includes additional funding and incentives to support the transition from welfare to work. The funding also includes increased child care and the capabilities for our State to improve child support collection efforts," Walters said.

In conclusion, the Governor said, "welfare reform is an essential step to stabilizing the American family and to stabilizing government spending. President Clinton should be commended for his efforts."

BARBARA ROBERTS
GOVERNOR



OFFICE OF THE GOVERNOR
STATE CAPITOL
SALEM, OREGON 97310-0370
TELEPHONE: (503) 378-3111
FDD (503) 878-4830

June 13, 1994

President William Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20005

Dear Mr. President:

I want to congratulate you and your administration for the leadership, courage and vision you have shown on welfare reform. National welfare reform will help give many Americans the tools they need to be self-sufficient, productive members of our society.

Oregon is already enacting many elements of welfare reform. Oregon welfare recipients participate in the JOBS program at twice the national rate. Each month, more than 900 families get off welfare and get jobs because they were given the job skills, child care and job placement they needed to succeed. Overall welfare caseloads have dropped 2.6% in the last year alone, compared to a national increase of 1.34%. Our JOBS Plus pilot project, still awaiting final federal waivers, will give some Oregonians on-the-job mentoring, child care and health care in lieu of traditional welfare.

Once again, Oregon's innovation is in prevention. Most welfare clients are teen mothers. I have made reducing the rate of teen pregnancy a top priority for the remainder of my term so that we can reach our state benchmark of cutting the rate in half by the year 2000. Oregon has also dramatically expanded health care coverage for low-income Oregonians, removing the need for welfare simply to have basic health care services.

Oregon is proud to serve as a model for welfare reform, as we have served for health care reform. We appreciate the support you and your administration have shown in allowing flexibility for states' individual health care innovations, and I look forward to working with you in the same productive way on welfare reform.

Thank you for your courage on this important public policy.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Roberts".

Barbara Roberts
Governor

State of Rhode Island
and Providence Plantations

Bruce Sundius, Governor



State House,
Providence

June 13, 1994

President William Clinton
The White House
Washington, DC 20500

Dear President Clinton:

I applaud and support your leadership in the area of welfare reform.

I am personally appreciative of the consultation your Administration has provided to the nation's governors in the formulation of your welfare reform plan. In particular, I am in full agreement with the basic tenet of your comprehensive plan that reinforces the values of work, family, opportunity and responsibility.

Both welfare recipients and tax payers have become the victims of an inefficient system. Short sighted approaches to improve the welfare system in the past three decades have discouraged intact families and have promoted welfare dependency.

At the state level, increased numbers of children born to welfare families are living in poverty. While creative programs promoting economic independence are abundant, a cohesive and encompassing national policy is needed to solve a societal problem of this magnitude.

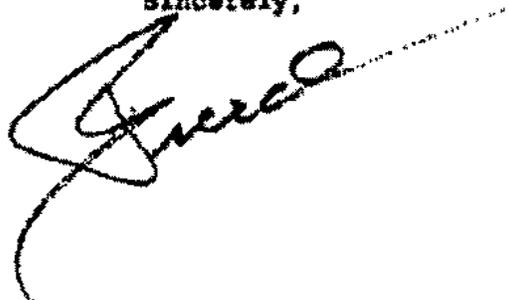
I have introduced a welfare reform bill that mirrors your plan's philosophy. My proposal emphasizes that work is valued by making work pay. It stresses that both parents are responsible to support their children and that parents should not have children until they are ready and able to raise them. I am heartened that the plan you have formulated is consistent with our goal of assisting people gain self-sufficiency.

The President
June 13, 1994
Page 2

I fully support your welfare reform plan and strongly urge the Congress to enact it this year. It is about time that our welfare system is designed to benefit the welfare of all citizens of this country.

Best personal wishes.

Sincerely,

A handwritten signature in black ink, appearing to be "George", written in a cursive style. The signature is positioned below the word "Sincerely," and extends across the width of the page.

BS:lb
0021P.11



State of Tennessee

NED McWHERTER
GOVERNOR

June 13, 1994

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear Mr. President:

I strongly support your call for Welfare Reform. If there is anything program recipients and taxpayers alike can agree on it's that the present system is greatly in need of reform.

Your plan to build on the successful Family Support Act of 1988 is noteworthy because it permits us to expand our JOBSWORK program, which has been the stimulus for nearly 14,000 Tennessee AFDC families going to work in the past five years.

In addition to the continued emphasis on employment and training, as well as the necessary support for that effort, your plan also renews the call for stronger parental commitment through the regular payment of child support. In doing so, you have placed important emphasis on two elements central to our families gaining self-sufficiency: Work and Child Support.

I applaud your effort, and I am committed to work with you on this vital undertaking.

Sincerely,

Ned McWherter
Ned McWherter

NRW:pgh



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 10003 • Olympia, Washington 98504-0003 • (206) 753-6780

June 13, 1994

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20503

Dear President Clinton:

I am writing to comment on your administration's proposal for welfare reform. I understand the complex challenge you face in attempting to initiate real change to the current welfare system. I am pleased that you have opened the dialogue and discussion to representatives from states. This state has already responded in detail to Deputy Assistant Keith Mason on this proposal.

As you may be aware, Washington State has been grappling with welfare reform for several years. Legislation was passed in 1993, and again this year that stresses welfare as a temporary measure. Many of the reforms that have been developed at the state level, however, apply to federally funded programs and require changes at the federal level before they can be implemented.

Of the many provisions detailed in your Welfare Reform Issue Paper, the simplification and conformity of application processing for the Food Stamp and AFDC programs is of paramount importance. The efficiencies resulting from this will help to shift resources to achieve the goals of the entire proposal.

I am pleased that welfare reform is focusing on the JOBS program. I believe we can make a difference in peoples lives by offering a mix of services that provides appropriate education, skills training, child care and work experience to help AFDC recipients become self-sufficient.

This state vigorously supports removing the "100-hour rule" limitation. We are currently in the process of seeking a Title IV-A State Plan amendment and associated federal approvals to comply with new state legislation. We need your support on this issue.

President William J. Clinton
June 13, 1994
Page Two

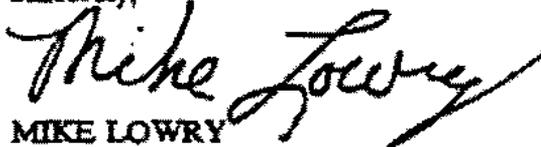
There are some areas of the proposal with which we have concerns, one of which is the two year eligibility time limit. Without a safety net, this will increase homelessness and child welfare caseloads. Washington has adopted legislation that reduces assistance in a graduated manner after four years.

While we support parents having responsibility for minor mothers, the possibility of abusive situations leads us to recommend the alternative of establishing protective payees. We also oppose making states fully responsible for benefits paid when paternity has not been established after one year. And while we strongly endorse the intent to enhance and simplify the federal match rate for states, we believe this will not produce the desired effect. Many states will have difficulty finding additional state funds to draw-down the federal dollars.

Finally, adequate funding must be available to provide the support needed for those moving towards self-sufficiency. Without considerable financial commitment by the federal government, true and lasting reform will not occur.

I look forward to working in partnership with you and the other states to resolve concerns and uncertainties about welfare reform. A continuing dialogue with states is crucial if positive, long-term changes are to take place.

Sincerely,



MIKE LOWRY
Governor



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

June 14, 1994

GASTON CAPERTON
GOVERNOR

The Honorable Bill Clinton
President of the United States
The White House
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

As you prepare to announce your welfare reform package, I want to thank you for giving governors and their representatives the opportunity to work closely with your Administration in developing this proposed legislation. The Administration is to be commended for involving the states in direct consultation on such an important issue.

I also commend you for your leadership in undertaking such a difficult task. Our welfare system must be changed to provide a helping hand to our nation's most needy citizens, without creating dependence on welfare as an alternative to self-sustaining opportunities. I am especially encouraged by the importance you are placing on the principles of work and responsibility, and I encourage you to continue to allow the states the necessary flexibility to provide those services in the most appropriate way for their citizens.

You certainly have my support and encouragement as you undertake this difficult task. I look forward to working with your Administration in the months ahead to help make the necessary improvements in providing support for the children and families of West Virginia and our country.

Sincerely,

A handwritten signature in black ink that reads "Gaston Caperton". The signature is written in a cursive style with a large, sweeping initial "G".

Gaston Caperton
Governor

GC:SB

The logo for the American Public Welfare Association (APWA) features the letters "APWA" in a bold, white, serif font, centered within a solid black rectangular box.

AMERICAN PUBLIC WELFARE ASSOCIATION


*news***FOR IMMEDIATE RELEASE****For more information:
Kathy Patterson/Janet Goss
202/882-0100**

APWA, Clinton Proposals Emphasize JOBS Program

Washington D.C.—June 14, 1994—The American Public Welfare Association today welcomed the official release of the Clinton Administration's welfare reform proposal. "President Clinton deserves great credit for putting this issue on the national agenda," said A. Sidney Johnson III, APWA executive director.

Johnson said APWA is pleased that the Clinton Administration's approach—building on the success of the Job Opportunities and Basic Skills Training Program, strengthening child care and child support enforcement, streamlining program administration, and a 2-year time limit followed by a mandatory work requirement—parallels many of the recommendations made by the American Public Welfare Association in January.

"We will continue to work closely with the Clinton Administration and the Congress on issues such as administrative capacity and flexibility and cost shifts to the states," Johnson said. "In very large measure states have led the way in demonstrating the success of education, training, and employment for welfare recipients, and states will continue to be critical players in additional program and policy changes."

Particularly good news from a state perspective, Johnson said, is the fact that the administration's proposal includes additional federal funding for the state-federal JOBS program authorized by the Family Support Act of 1988. That education and employment program now enrolls roughly 10% of families receiving AFDC. "The early studies of the JOBS program--notably research in Florida and California by the Manpower Demonstration Research Corporation--have found the program has a positive impact on employment earnings and on welfare savings. States continue their strong commitment to this approach to achieving self-sufficiency," Johnson said.

The APWA report released in January--*Responsibility/Work/Pride: The Values of Welfare Reform*--outlined a series of proposals including a 2-year time limit that would require employable adults to take a job or enter community work experience after up to two years of education and training. APWA's bipartisan package also calls for "making work pay" including universal health care coverage; stronger child support enforcement; increased federal support for the Job Opportunities and Basic Skills Training Program to train recipients for employment; and streamlined administration of benefit programs.

"What the American public wants for and from welfare reform is what the majority of welfare families want, too," the report states. "Job training and work, independence and responsibility, self-sufficiency and pride." The APWA proposals "translate some simple American values into practical public policy."

The American Public Welfare Association is a bipartisan, nonprofit organization representing all of the state human service departments as well as local public welfare agencies and individuals who work in public human services.



NEWS RELEASE

NATIONAL CONFERENCE OF STATE LEGISLATURES

STATEMENT BY NCSL PRESIDENT ROBERT T. CONNOR ON THE PRESIDENT'S WELFARE REFORM PROPOSAL

STATE LEGISLATORS AGREE WITH THE GOALS OF THE PRESIDENT'S PROPOSAL TO REFORM THE COUNTRY'S WELFARE SYSTEM. LEGISLATORS COMMEND THE PRESIDENT FOR THE UNPRECEDENTED CONSULTATION WITH STATE LEGISLATORS DURING THE DEVELOPMENT OF THE PLAN. HOWEVER, WHILE IN AGREEMENT WITH THE GOALS, WE ARE DISAPPOINTED IN THE ADMINISTRATION'S PATH TOWARD ACHIEVING THOSE GOALS.

STATE LEGISLATORS AGREE THAT REFORM MUST: PROVIDE EDUCATION, TRAINING AND EMPLOYMENT FOR WELFARE RECIPIENTS; ENSURE THAT THOSE WHO WORK CAN RISE ABOVE POVERTY; PROVIDE ADEQUATE CHILD CARE AND OTHER SUPPORT SERVICES; AND IMPROVE CHILD SUPPORT COLLECTIONS. WE STRONGLY AGREE WITH THE PRESIDENT THAT FEDERAL BARRIERS TO WORK AND FAMILY FORMATION MUST BE REMOVED FOR WELFARE RECIPIENTS. THIS CAN ONLY BE ACCOMPLISHED BY A PARTNERSHIP AMONG ALL LEVELS OF GOVERNMENT AND THE PRIVATE SECTOR.

EVEN THOUGH FINANCING AND FLEXIBILITY HAVE BEEN THE MAJOR CONCERN OF STATE LEGISLATORS IN THE WELFARE REFORM DEBATE, THE ADMINISTRATION'S PLAN IS LACKING ON BOTH FRONTS. THE PATH TO WELFARE REFORM AS OUTLINED IN THE PROPOSAL IS OBSTRUCTED BY UNFUNDED FEDERAL MANDATES AND COST SHIFTING.

THE PROPOSAL IS PARTIALLY FUNDED BY CUTTING FEDERAL WELFARE BENEFITS TO LEGAL IMMIGRANTS. SINCE THE FEDERAL GOVERNMENT HAS SOLE JURISDICTION OVER IMMIGRATION POLICY, THE FEDERAL GOVERNMENT MUST BEAR THE RESPONSIBILITY TO SERVE THE IMMIGRANTS WHO ARE ALLOWED TO ENTER STATES AND LOCALITIES. ELIMINATING FEDERAL SUPPORT FOR IMMIGRANTS WILL ONLY RESULT IN A DRAIN ON STATE AND LOCAL GENERAL ASSISTANCE PROGRAMS AS WELL AS INDIGENT HEALTH CARE PROGRAMS, PUBLIC HOSPITALS AND PRIVATE CHARITIES -- ALL OF WHICH ARE ALREADY UNABLE TO MEET THE DEMAND FOR SERVICES.

THE ADMINISTRATION ALSO PROPOSES TO CAP AFDC EMERGENCY ASSISTANCE. CAPPING AN OPEN-ENDED ENTITLEMENT WILL ONLY PLACE GREATER BURDENS ON STATES AND SHIFT ADDITIONAL COSTS. THE HIGHER FEDERAL MATCHING RATES FOR WELFARE REFORM GIVE THE ILLUSION OF ADDITIONAL RESOURCES WHILE IN FACT, THE PROPOSAL MERELY REALLOCATES EXISTING FUNDS.

MANY OF THE WELFARE REFORM IDEAS BEING DISCUSSED AT THE FEDERAL LEVEL ARE THE RESULT OF STATE INITIATIVES. STATE LEGISLATORS HAVE LONG ARGUED THAT THE STATES MUST MAINTAIN THE FLEXIBILITY TO CONTINUE THESE INNOVATIONS. UNFORTUNATELY, THE ADMINISTRATION PROPOSES OVER 200 NEW FEDERAL MANDATES TO ACHIEVE 'FLEXIBILITY.'



FOR EXAMPLE, IN DEVELOPING STATE CHILD SUPPORT REGISTRIES, STATES MUST INCLUDE 15 MANDATED PROVISIONS REGARDING HOW AUTOMATED DATA SERVICES SHOULD FUNCTION. TEN MANDATORY REQUIREMENTS ARE IMPOSED ON EACH STATE'S CIVIL PROCEDURES FOR PATERNITY ESTABLISHMENT. WHILE THERE ARE SEVERAL DEMONSTRATION GRANT POSSIBILITIES, THE BULK OF THE OVERALL PROPOSAL IS WEIGHED TOWARD COMPULSORY, PRESCRIBED ACTIVITIES RATHER THAN OPTIONS AND FLEXIBILITY.

STATE LEGISLATORS WILL CONTINUE TO WORK WITH CONGRESS AND THE ADMINISTRATION TO ENSURE THAT FEDERAL WELFARE REFORM INCLUDES:

- * ADEQUATE AND APPROPRIATE FINANCING WITHOUT UNDER-FUNDED AND UNFUNDED MANDATES OR COST SHIFTING TO THE STATES
- * FLEXIBILITY TO HELP STATES DEAL WITH THE VARIETY OF LOCAL EMPLOYMENT MARKETS AND GEAR EDUCATION AND TRAINING TOWARD THOSE NEEDS
- * COORDINATION OF OTHER FEDERAL EMPLOYMENT AND TRAINING PROGRAMS
- * SUPPORT OF STATE SUCCESSES IN CHILD SUPPORT ENFORCEMENT WITHOUT PREEMPTING FAMILY LAW OR FEDERALIZING THE PROGRAM

PRESIDENT CLINTON RECOGNIZES THAT STATE LEGISLATORS ARE CRITICAL TO THE SUCCESS OF ANY PLAN AND WE ARE ESPECIALLY PLEASED THAT THE PROPOSAL PHASES-IN POPULATIONS OVER A PERIOD OF TIME.

NCSL'S WELFARE REFORM TASK FORCE WILL CONTINUE TO WORK WITH CONGRESS AND THE ADMINISTRATION AS THE DEBATE CONTINUES. STATE LEGISLATORS HOPE THAT THE DIALOG REMAINS OPEN AND THAT THE CONSULTATION PROCESS CONTINUES.

STATE LEGISLATORS LOOK FORWARD TO WORKING WITH CONGRESS AND THE ADMINISTRATION ON THIS CRITICAL ISSUE.

Senator Connor is President of the National Conference of State Legislatures (NCSL) and serves as Minority Whip of the Delaware State Senate.

For additional information, contact Susan Saladones or Liz Dechert in NCSL's Public Affairs Department at 202-624-5400.

June 14, 1994



NEWS

United States Conference of Mayors

1620 Eye Street, N.W. • Washington, D.C. 20006

Portland, Oregon
June 14, 1994

STATEMENT BY THE UNITED STATES CONFERENCE OF MAYORS ON THE PRESIDENT'S WELFARE REFORM PROPOSALS

Mayors believe the basic structure of the President's welfare reform plan is sound and fair, and yesterday we adopted a policy resolution which reflects this.

The Clinton Administration has worked hard for more than a year to develop a proposal to redirect the welfare system, making it one that provides training and work and at the same time requires responsibility. We support its basic principles: to prevent teen pregnancy and promote parental responsibility, to make work pay and provide child care, to provide two years of transitional assistance followed by work, and to reinvent government assistance.

But we have concerns relating to several specific provisions – the importance of utilizing existing employment and training systems and of assuring that the subsidized jobs created through the work program provide a positive experience and sufficient wages to the individual while at the same time addressing community needs.

We also are concerned about some of the provisions intended to promote parental responsibility, particularly those which allow states the option to deny additional benefits to families which have additional children -- the family cap.

Finally, we must oppose the entitlement cuts that would pay much of the costs of welfare reform. Cutting benefits to non-citizens and low income Americans shifts costs to state and local governments and hurts a vulnerable segment of our population. We know there are few good financing options, but there must be a better way.

We look forward to working with the Administration and the Congress to address the concerns we have raised and to craft badly needed reforms to our welfare system, reforms which will benefit both the client and the community.

CONTACT: Mike Brown, Laura DeKoven Waxman, (503) 226-4404, (202) 293-7330

FINAL

ADOPTED

6/13/94

Resolution No. 38

Submitted By:

The Honorable Bruce Todd
Mayor of AustinThe Honorable Emanuel Cleaver II
Mayor of Kansas CityThe Honorable Norm Rice
Mayor of Seattle

WELFARE REFORM

- 1) WHEREAS, it is generally acknowledged that the nation's welfare system is badly in need of reform; and
- 2) WHEREAS, welfare reform should be based on the following principles:
 - Preventing individuals from needing public assistance, both through long-term solutions, such as teen pregnancy prevention and education reform, and by targeting the needs of certain populations such as young people;
 - serving as a transition to self-sufficiency by assuring that adequate training is provided that will be relevant to the jobs that are available, that there are enough jobs which provide a living-wage, and that child care, health care and other necessary services are provided;
 - Supporting two-parent families by removing programmatic disincentives for families to stay together and identifying non-custodial parents, promoting their responsibility and payment of child support, and providing them training and employment assistance;
 - Not changing the system at the expense of the children's well-being;
 - Providing necessary additional federal resources so that costs are not shifted to state and local governments;
- 3) WHEREAS, the Clinton Administration has engaged in an extensive effort to develop a welfare reform proposal which is soon to be announced and which is intended to "end welfare as we know it;" and
- 4) WHEREAS, the Administration's welfare reform proposal has four basic principles:
 - Preventing teen pregnancy and promoting parental responsibility;

- Making work pay/child care;
- Transitional assistance followed by work; and
- Reinventing government assistance,

5) NOW, THEREFORE, BE IT RESOLVED that The U.S. Conference of Mayors supports the framework of the Clinton Administration's welfare reform proposals and its four basic principles; and

6) BE IT FURTHER RESOLVED that The U.S. Conference of Mayors recognizes the critical relationship of welfare reform to health care reform and the importance of accomplishing both as quickly as possible if we are to address many of the nation's basic social problems; and

7) BE IT FURTHER RESOLVED that the U.S. Conference of Mayors has identified several areas of concern in the Clinton Administration's welfare reform proposals, in particular several provisions relating to transitional assistance followed by work and promoting parental responsibility; and

7) BE IT FURTHER RESOLVED, that The U.S. Conference of Mayors supports the Clinton Administration's proposal for transitional assistance of up to two years followed by work, but believes that it should provide extensive education and training services to help recipients support themselves and their families, thereby reducing their chances of returning to the welfare system; and

8) BE IT FURTHER RESOLVED, that these services be channeled through the existing employment and training systems that currently provide workforce development services, and that mayors be recognized partners and play an active role in planning, designing and implementing these employment and training services to meet the needs of local welfare clients.

9) BE IT FURTHER RESOLVED that the Conference of Mayors believes that community service jobs developed through the Work Program should be seen as important jobs, not jobs of last resort, and that they are a way of addressing identified community needs. Specifically:

- Mayors and other local government officials need to be actively involved in identifying the jobs to be done and the agencies administering them. Job creation and identification as well as training activities should be coordinated with existing employment and training activities, in particular with Job Training Partnership Act programs and Private Industry Councils.
- The jobs should be structured in such a way that long term job slots are created which different recipients may move through so that the administering agency can have confidence that the job will continue to be performed

even after a recipient is moved into a private sector job.

- The jobs should provide pay and benefits equal to other workers doing the same work, without displacing current workers and jobs.
- Persons in subsidized Work Program jobs should be eligible for Earned Income Tax Credit benefits. This is necessary to send the message that work pays, and that these are important jobs. It also means that the recipient will be more likely to maintain a decent standard of living during the period he or she is in a community service job.
- Exceptions to the requirement that an individual must work after two years of transitional assistance should recognize individual needs.
- The two-year limit should not apply for the lifetime of the recipient. The program must recognize that future circumstances may require an individual to need welfare assistance again; and

10) **BE IT FURTHER RESOLVED**, that while The U.S. Conference of Mayors believes that both parents should be responsible for both the financial and emotional support of their children, some of the provisions under promoting parental responsibility raise concern:

- While it is agreed that a much greater effort should be made to establish paternity and hold the father as well as the mother responsible for the child, the requirement of naming potential father's should not constitute an invasion of the mother's privacy.
- States should not be allowed to impose a family cap on welfare recipients because a family cap is not a disincentive to having additional children, and merely punishes those children.
- We support the requirement that minor parents live with a parent or another responsible adult, but there must be assurances that the arrangement is in the best interests of the mother and the child (i.e. that the minor parent not be deprived by the adult of the benefits received, that the home provide a safe environment and that needed services be available); and

11) **BE IT FURTHER RESOLVED**, that The U.S. Conference of Mayors opposes the three types of entitlement cuts currently being discussed to finance welfare reform:

- Denying SSI, AFDC and Food Stamp benefits to non-citizen recipients who have been in the country less than five years
- Capping the AFDC Emergency Assistance program
- Means-testing the child care feeding program; and

12) BE IT FURTHER RESOLVED, that The U.S. Conference of Mayors commends the Clinton Administration for the extensive and open consultative process in which it engaged during the development of its welfare reform proposals.

Projected Cost: \$9.5 billion



NEWS RELEASE

440 First St., N.W., Washington, D.C. 20001-2080

202/393-6226 Fax 202/393-2630

FOR IMMEDIATE RELEASE
June 15, 1994

CONTACT: Tom Goodman or
Traci Dove 202/942-4222

County officials applaud President Clinton on Welfare Reform proposal, but question financing mechanism

Washington, D.C. – County officials strongly support many provisions of President Clinton's Work and Responsibility Act of 1994 proposal, but strongly oppose its financing mechanism.

"We applaud the President on many aspects of his proposal, namely promoting work and independence; increasing funding for education and training; improving child support enforcement with a federal registry; and simplifying welfare," said National Association of Counties (NACo) President and Pinellas County (Fla.) Commissioner Barbara Sheen Todd.

The President's proposal increases funding and the federal matching rate for the Job Opportunities and Basic Skills program, child support enforcement and child care for low-income families, which county officials support, Todd said. Also, the proposal helps strengthen families by allowing states to eliminate Aid to Families with Dependent Children (AFDC) requirements that penalize married couples; helps child support enforcement agencies in collecting outstanding payments through greater access to federal data; and helps reduce paperwork by simplifying differing and inconsistent rules in federal assistance programs.

"We strongly oppose, however," Todd added, "many of the Administration's proposed financing provisions. The most troublesome provisions are the proposed cap on AFDC Emergency Assistance, and those that would limit immigrants' current eligibility for some federal entitlement programs, such as Supplemental Security Income, Food Stamps and AFDC. These provisions would shift costs from the federal government to county and state governments.

-more-



*County officials respond to President Clinton's Work and Responsibility Act
page 2*

"A cap on an entitlement program, such as Emergency Assistance, would restrict government's ability to respond in times of crisis and would hurt the very people who the proposal seeks help," she added. Counties and states use Emergency Assistance program funds for a variety of purposes, such as helping families who have lost their homes in case of natural disasters, and preventing homelessness by helping families pay overdue rent and utility bills. In many instances, the use of Emergency Assistance helps prevent the use of more costly federal programs.

In the case of immigration, these reductions would affect Todd's state of Florida, along with other states with large immigration populations -- Arizona, California, Illinois, New Jersey, New York and Texas. In many of these states, county governments have the primary responsibility for general assistance and are responsible for people with nowhere else to go for help.

"Setting and enforcing immigration policy is a federal function. The federal government should, therefore, have the financial responsibility for this population," Todd said.

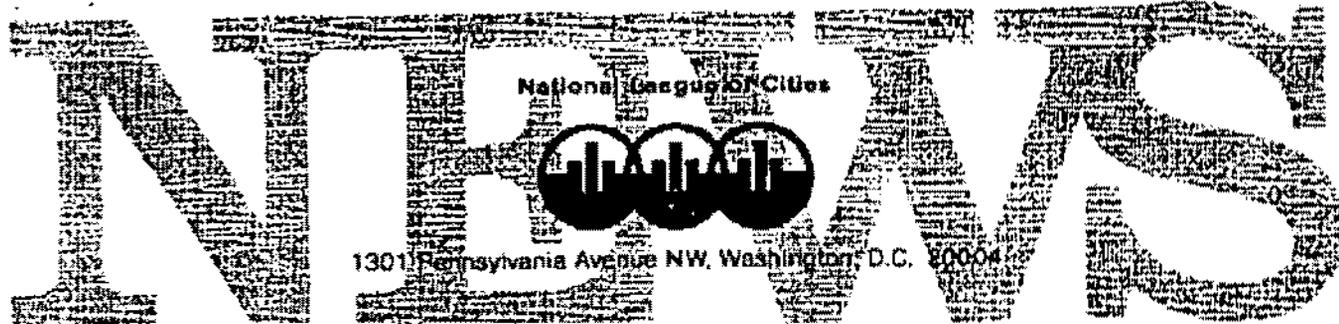
County officials are also concerned as to whether the proposal includes sufficient funding to achieve its goals. In order to adequately implement a time limit on AFDC, there has to be sufficient federal funding for child care, education and training, transportation, and jobs that provide long-term self-sufficiency, Todd said.

"State and local governments are being asked to make significant changes in the way programs are operated -- changes that require staff training and acquisition of new equipment," Todd explained. "Some of the president's proposals, such as phasing-in the program by beginning with younger parents and eliminating the current JOBS targeting requirements, undoubtedly, will help the transition to a new system. NACo, however, is concerned about the stiff penalties, in the form of reductions in the AFDC federal matching rate, for failing to meet performance standards."

Finally, NACo commends the Administration for the consultation process they established with state and local government organizations, and wishes to continue the dialogue as legislation moves forward.

-30-

NACo is the only national organization representing county governments in the United States. Its goals are to improve county government, act as a liaison with other levels of government, present the county position on national issues and advance public understanding of the role of counties.



June 15, 1994

TO: Urban Affairs Reporters and Editors
FROM: Randy Arndt, Media Relations Director (202) 626-3158
SUBJECT: President Clinton's Welfare Reform Initiative

Attached is a copy of a letter sent to President Clinton by NLC President Sharpe James, mayor of Newark, N.J., expressing NLC's strong support for proposing welfare reforms "which would grant to many in this country the chance to rise out of poverty through educational opportunities and incentives to work."

Mayor James' letter commends the president for bringing forward a strategy that seeks to reduce poverty as opposed to "assisting the poor to survive in poverty through income maintenance, food stamp programs and housing programs."

The letter also identifies several important areas in which local governments have major concerns about the impact and costs of the president's proposals. One set of questions revolves around the concept of creating community service jobs, such as the extent to which communities would have to participate in these programs and the question of covering various costs. Another area of concern involves the proposals relating to a curtailment of benefits in situations involving households with legal immigrants.

While many cities have only a limited direct role in administering welfare programs, nearly all have had to wrestle with the presence, persistence and effects of poverty on families and individuals, as well as its effects on neighborhoods, attitudes and expectations. The National League of Cities has called for local as well as federal approaches that focus on building capacity, as opposed to shoring up deficits. "Your welfare reform proposals can provide the first step toward achieving these goals," Mayor James wrote in pledging that the NLC members and staff were committed to helping enact a welfare reform bill.



National
League
of
Cities
1301 Pennsylvania Avenue N.W.
Washington, D.C.
20004
2021 626-3000
Fax: (202) 626-3043

Officers
President
Sharon Jensen
Mayor, Newark, New Jersey
First Vice President
Loren Long Bawa
Councilmember-at-Large, Athens, Georgia
Second Vice President
Hil Corbett
Mayor, Santa Barbara, California
Immediate Past President
George E. Hoot
Mayor, Orlando, Florida
Executive Director
Dorcas J. Bona

June 14, 1994

The Honorable William J. Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

On behalf of the 140,000 municipal elected officials representing cities and towns nationwide, I am writing to express our support for your efforts to reform this country's welfare system, and to commend your administration on its outreach efforts to representatives of cities and towns.

The National League of Cities (NLC) is pleased that your welfare reform proposals address many of the concerns echoed by local leaders and reflect many of the principles NLC has advocated for moving individuals from welfare to work, lifting families out of poverty, and encouraging the formation and maintenance of families.

Local officials continue to express grave concern over the growth of poverty in our nation's cities. In past years, it seemed as though the federal response to poverty in America's cities focused less on poverty reduction and more on assisting the poor to survive in poverty through income maintenance, food stamp programs and housing programs. These programs fall far short of reaching all those in need and tend to perpetuate the cycle of poverty in families.

NLC is, therefore, encouraged by your efforts to transform the welfare system in order to reduce widespread poverty in cities and provide opportunities for all persons to attain economic self-sufficiency. Specifically, NLC is committed to working for the enactment of those aspects of the legislation which create a strategy to reduce teen pregnancy, promote responsible parenting, and encourage and support two parent families; support working families with the Earned Income Tax Credit, health care and child care; promote self-sufficiency through access to education and training by expanding the JOBS program; and dramatically improve the child support enforcement system to help reduce the child support collection gap.

Past Presidents: Sidney Berkowitz, Mayor, New Orleans, Louisiana • Paul Harrison, Mayor, Seaside Neck, North Carolina • Cathy Reynolds, Councilwoman-at-Large, Denver, Colorado • Director: Lucy T. Allen, Mayor, Loupsburg, North Carolina • Ann Allen, Mayor, Fort Collins, Colorado • Jack Beacham, Sr., Councilman, Youngstown, Ohio • Don Birmingham, Executive Director, League of California Cities • Jimmy Bette, Mayor, Deer Park, Texas • Anthony Costello, City Commissioner, Dayton, Ohio • Carl Closson, Executive Director, Wyoming Association of Municipalities • E. W. Crampton, II, Councilman, Columbia, South Carolina • Charles A. DeVanny, Mayor, Augusta, Georgia • John Evans, Commissioner, Santa, Kansas • William Evans, Mayor, Bradenton, Florida • Martin Glavin, Assistant, North Little Rock, Arkansas • Robert H. Johnson, Councilmember, Lexington, Kentucky • Warren E. Jeffrey, Executive Director, Vermont League of Cities and Towns • Walter R. Kelly, Town Council President, Fishers, Indiana • Abbe Land, Mayor, Pitts Town, West Hollywood, California • Gregory Lambetta, Mayor, Columbus, Ohio • Sheila Jackson Lee, Councilmember-at-Large, Houston, Texas • Gene Slaterman, Mayor, Landeshill, Florida • Sylvia L. Lowmy, Executive Director, Kentucky League of Cities • Mills MacLeod, Council Member, Moorhead, Minnesota • Maryanne McHaffey, City Council President, Deere, Morgan • Thomas H. Manning, Mayor, Boston, Massachusetts • Thomas F. Maroney, Jr., Vice Mayor, Anchorage, Alaska • J. Ed Morgan, Mayor, Hattiesburg, Mississippi • Kathryn Heck, Vice Mayor, Pasadena, California • James P. Mill, Mayor, Fortney, Arizona • Mary Pihlme, Council Member, New York, New York • Sherman Prosser, City Director, Little Rock, Arkansas • Carolyn Stone, Council Member, Turlock, California • Bill Stone, Mayor, Gretnburg, Tennessee • L. Lynn Rea, Executive Director, League of Nebraska Municipalities • Alicia M. Sanchez, Councilmember, Fort Worth, Michigan • Raymond C. Sells, Executive Director, Florida League of Cities • Meredith Shindler, Mayor, Flint, Michigan • Frank Sears, Executive Director, Texas Municipal League • Dick Thompson, Executive Director, League of American Municipalities • Lisa W. Wells, Councilmember, Dallas, Texas • Jim W. White, Councilmember, Kent, Washington • Jack B. Williams, Mayor, Franklin Park, Illinois

The Honorable William J. Clinton
June 15, 1994
Page Two

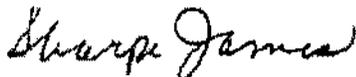
While NLC is committed to supporting a welfare program that enables individuals and families to move from welfare to work, we remain very concerned that various aspects of your plan would both add and shift considerable costs on to cities and towns.

Currently, many cities and towns have a limited role in administering welfare. Although NLC members are prepared to further their involvement by providing community service jobs to welfare recipients in need of employment, we are concerned that our cities and towns would be mandated by states to create these community service jobs without the ability to decline participation at the discretion of local elected officials, and without sufficient funding from the state or federal government to pay all costs related to direct wage/salary, fringe benefits, supervision and training.

Moreover, your plan to finance welfare reform by extending deeming in SSI and AFDC for legal immigrants and by capping emergency assistance would impose considerable cost shifts to cities and towns in New York, California, Florida, Texas, New Jersey, Illinois and Massachusetts, just to name a few. Thus, we are apprehensive that your commendable efforts to introduce a welfare reform plan which reduces poverty and encourages work and self-sufficiency would be seriously undermined by curtailing benefits to a most vulnerable population. That proposal would require local governments already under enormous fiscal pressure to shoulder increased human and fiscal burdens.

NLC members and staff are committed to working with you and your administration to enact a welfare reform bill which would grant to many in this country the chance to the rise out of poverty through educational opportunities and incentives to work, without imposing unreasonable burdens on cities and towns. Your welfare reform proposals can provide the first step toward achieving these goals.

Sincerely,



Sharpe James
President
Mayor of Newark

WELFARE REFORM MORNING REPORT

Thursday, June 16, 1994

INFORMATION WANTED

For this report to be as helpful as possible, we need to know your meetings, to get reports, and to get copies of any clippings you see on welfare. Please forward all information to Toby Graff at 401-9258; fax 205-9688.

CONTENTS

Part I. June Calendar

Part II. Press Clips

June 1994

Welfare Reform Schedule

SUNDAY 12

US Conf. of Mayors in OR - DES, Ellwood

MONDAY 13

Council on Social Work Education - Ellwood
 House Ed. & Labor Cmte. Staff- Bane, Ellwood, Reed
 Sen. Dem. Press Secretaries - Skolfield
 Rep. Martinez - Bane, Ellwood, Reed
 Govs. & Mayors of Territories- Shelbourne, Sosa, Ivery

TUESDAY 14

Press - Secretary Shalala, Bane, Ellwood, Reed

Introduction of Welfare Reform Plan - Kansas City
 APWA Press Briefing
 Today Show - Ellwood
 Good Morning America (tent.) - Reed
 Nightline (focus on welfare)

WEDNESDAY 15

House Ways & Means Bipart. Staff- Bane, Ellwood, Sawhill

NGA, Govs' DC Reps, NCSL, APWA- Bane, Mason, Monahan, Way
 JOBS video-conf (sponsored by NAB)- DES, Rosewater
 Senate Labor Cmte. Bipartisan Staff- Ellwood
 Cong. Black Caucus - DES, MJB, DTE, BR, AL, JK

THURSDAY 16

Sen. Bradley - Reed
 Sen. Democratic Women- DES, Bane, Ellwood, Lavelle

Local Orgs. (NLC, Mayors, NACo)- Monahan, Primus, Way
 Sen. Finance Cmte. Bipart Staff- Bane, Ellwood, Sawhill
 Rep. William Clay - DES, Bane, Ellwood
 House Democratic Caucus - DES, Ellwood, Bane
 Sen. Packwood - Bane, Ellwood

FRIDAY 17

United Way Public Policy Cmte. Mtg.- Primus
 Advocacy Groups - Bane, Ellwood, Rosewater

SATURDAY 18

June						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

The Washington Post

AN INDEPENDENT NEWSPAPER

A Solid Start on Welfare Reform

THERE ARE MANY legitimate grounds on which to criticize President Clinton's handling of welfare reform. It can, for example, be said that Mr. Clinton introduced his proposal so late in this session of Congress that he vastly reduced any chance for passage this year. The delay was caused largely because it took so long to find the cuts in other programs needed to finance even a scaled-down version of reform. Mr. Clinton knew long ago that his version of welfare reform was expensive; he could have accelerated the process of fitting his vision of a new welfare system within his fiscal priorities. The administration rightly asserts that welfare reform is something best undertaken gradually and that a smaller program is better. But the administration cast needless suspicion on this argument by promising something much bigger at first.

But when Mr. Clinton finally announced his proposal Tuesday, the Republican critiques were mostly the complaints of a party desperately unhappy that a Democrat threatened to steal an issue the GOP had used so successfully in so many elections. "Hopelessly weak," said Bob Michel. "Limp," said Phil Gramm. House Whip Newt Gingrich was quoted in the Atlanta Constitution as calling the Clinton plan "a step in the right direction." But he also denounced it, saying that "the president is brilliant at describing a Ferrari, but his staff produced a Yugo," the latter a reference to a rather unfortunate car produced in Yugoslavia.

It is the first Gingrich comment that captured the facts: Mr. Clinton's plan may not be a Ferrari, but it is a Chevy or a Ford, a solid vehicle for moving the welfare system in the right direction. The plan is focused on younger welfare recipients—those born after 1971. Applicants in this group will get job training and education and then, if they are still on the rolls after two years, be required to take jobs. The administration has already laid the groundwork for improving work incentives by getting a big increase in the earned income tax credit through Congress, which raises the incomes of the working poor. The point here is not to punish the poor, but to better the opportunities of working and welfare poor alike, and to take some steps to reduce teen pregnancy and require absent fathers to help support their kids.

The administration still has questions to answer, some posed quite reasonably by Republicans. For example, is there enough money in the plan, and does it provide for enough public service jobs? What will the jobs be like? What should be done for the children of those who refuse to take jobs and get kicked off the welfare rolls? What markers can be laid down in advance to serve as realistic measures of whether the plan is working? If Republicans listen to the better angels of their nature, these are the kinds of concerns they can usefully raise—and in the process make bipartisan welfare reform possible.

Balt. Sun] 6-16-94

Welfare as We Know It

"There's no greater gap between our good intentions and our misguided consequences than you see in the welfare system," President Clinton said in announcing his welfare reform package this week. He was speaking of the welfare system as we know it now, but the chances are good that the words would apply equally well if his complex proposal becomes law. Clearly, the welfare system is broken. What is not so clear is how to fix it without making things worse.

"Welfare reform" is a popular political mantra. What isn't mentioned is that reforms intended to move people from dependence to self-sufficiency cost more than taxpayers are willing to spend. The price tag on the administration's original plan was \$15 billion over five years. The president, unwilling to raise taxes, scaled it back to \$9.3 billion, largely squeezed from other social programs. That's too bad. If Americans really want a welfare system that points people toward self-sufficiency, they need to know that it will cost more money than the current system — at least in the short run. If, however, the nation really chooses to invest in its poorest citizens, much as it invested in the middle classes after World War II, the long-term benefits would repay the costs many times over.

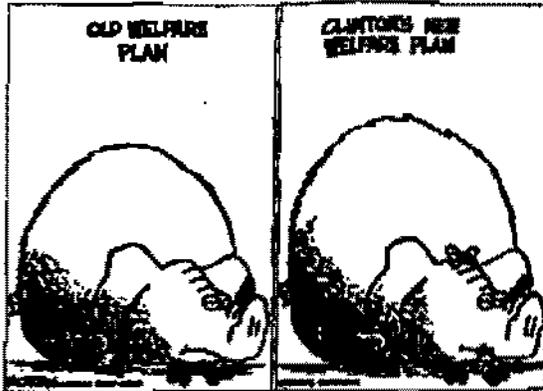
It's important to remember that the main target of reform, the familiar AFDC (Aid to Families with Dependent Children), exists to help poor parents provide for their children. Yet serious discussion of the welfare of these children is rarely heard in this

debate. What happens if we impose time limits on payments or work requirements on recipients, but don't provide decent child care while parents are at their jobs? The children pay the price. What good does that do for welfare families, or for society?

The Clinton plan has some good provisions, such as strengthening the collection of child support payments. There is also a strong case to be made for sending a message that families need to strive for self-sufficiency. But most of its distinguishing features are punitive to some degree, with no guarantee that essential support services — child care, health services and the like — will hold firm until families are on their feet financially.

One example, the controversial "family cap," gives states the option to deny benefits increases to welfare mothers who have another baby. The cap would affect a relatively small number of recipients but it has strong opposition, including such odd bedfellows as liberal anti-poverty activists and anti-abortion groups. To its credit, the Maryland legislature rejected a cap when it got bogged down in a related question of lifting Medicaid restrictions on abortion. The cap may make critics feel good, but it penalizes an innocent child.

The administration deserves credit for trying. It brought together some of the best students of welfare policy to draw up this plan. But the tangle of problems and policies that has given rise to the current mess will not yield easily, not even to the strongest campaign promises.



By Pat McCarrny, America Globe-News, Crestora Syndicate

USA Today, 6-16-94

Welfare plan keeps people on the rolls

WILLIAM KRISTOL, chairman, Project for the Republican Future, in *The Washington Times*: "What we are witnessing is a well-honed Clinton tactic: when the polls go south, reach for welfare reform. . . . The president's . . . proposal is not a 'promising first step' or a 'move in the right direction.' It is, rather, a plan to slow the pace of welfare reform. Not only does it fail to end welfare, its effect would be to save welfare as we know it. . . . We should make plain what this welfare proposal amounts to: marginal tinkering through an uninspired set of modest work requirements and paternity establishment rules that neither discourage poor women from having children out of wedlock nor move great numbers of people off the welfare rolls."

THE NEW YORK TIMES in an editorial: "Mr. Clinton can be credited with keeping the spirit of his promise by offering a measured attack on a social pathology: 10 million children raised in poverty, mostly by single parents. Mr. Clinton's bill should deliver a stark message to teen-age parents that welfare will no longer substitute for work. . . . Mr. Clinton does not intend to push hard to pass welfare reform this year. . . . That is a sensible choice. Health care might not survive the wait. But welfare reform has no pressing political deadline. Congress could use next year to make the president's good start even better."



RASPERRY

ly worse than failed. . . . Is it possible to work out an accommodation between these conflicting principles? It's a subject worth returning to."

WILLIAM RASPERRY, syndicated columnist: "Thanks largely to Charles Murray, discussion of the 'welfare crisis' has devolved into a debate between those who would be more compassionate toward the poor and those who think the best thing we could do for the poor is nothing. It is an interesting argument, driven (I believe) less by mean-spiritedness than by a cold recognition that much of what we have done in the name of compassion has failed — and frequently

THE ORANGE COUNTY (Calif.) REGISTER in an editorial: "President Clinton's bold campaign promise to 'end welfare as we know it' is finally being introduced as a whimper. It took more imagination to decide to introduce the proposal in 'America's heartland' in Kansas City than to devise the paltry set of reforms designed not so much to end the tragic cycle of dependency as to perpetuate it. If you think the FR decision to go to Kansas City was an obvious no-brainer, you understand just how bold and innovative the reform proposal is. . . . The pundits say Mr. Clinton hasn't concentrated his full powers on welfare reform because he's so wrapped up in health care and allegations about scandals. That's no excuse for such a pitiful performance."

MOLLY IVINS, syndicated columnist: "Behold, some logical lacunas in our welfare reform debate. The one you want to keep in mind above all others is that the purpose of welfare reform is to get folks off welfare and into jobs. And the reason that people are on welfare is because there are no jobs. Perfect circular logic. All welfare reform will take place in the context of an economy that runs a steady 6% to 7% unemployment rate. . . . If anything about welfare can be held to destroy families, it is certainly the 'no man in the house' rule. And that wicked and shortsighted bit of legislation came, friends, from the right wing, now so busy blaming welfare for the destruction of the family."

DAYTON (Ohio) DAILY NEWS in an editorial: "The Republicans hold the presidency for 12 years without making any sweeping proposal on welfare. Then along comes a Democratic president with a sweeping proposal, and the Republican response is to try to outswamp him. Anybody who takes these people seriously is inexplicable. . . . If, every time the Democrats adopt what might be called a conservative position, the Republican(s) move further to the right, then the Democrats have the Republicans where they want them: isolated on the edges of debate."

JACK GERMOND and JULES WITCOVER, syndicated columnist: "The president's plan is both modest and centrist. It would not end welfare as we know it, but it would make a serious beginning by focusing on young people in the system who still have the potential to be weaned off it. . . . There will be some hand-wringing from both liberals and conservatives in Congress, where nothing substantial is ever achieved easily. But the issue that played such an important part in putting Bill Clinton in the White House could be extremely valuable to him in trying to stay there in 1996."

Clinton unveils plan to shrink welfare

By Carol Jozefzlik
Times Staff Writer

WASHINGTON—Some Republicans have proposed shrinking or abolishing welfare. Some Democrats think the government should do more to help recipients.

President Clinton offered a middle-ground approach Tuesday, unveiling a long-awaited, \$3.2 billion welfare package that would put a two-year time limit on cash welfare benefits, something he proposed to do in his campaign.

Clinton's "new Democrat" solution insists that able-bodied aid recipients move off welfare rolls and into the work force. But it also tries to ease the transition through increased spending on

training, child care and job-placement programs.

For cost reasons, the plan for revamping the \$33 billion welfare system is much more limited in scale than the White House envisioned. The plan won't "end welfare as we know it," as Clinton once pledged to do, but initially will affect only a portion of the 5 million households on Aid to Families with Dependent Children: those recipients born after 1971.

The plan would be paid for through cuts in other social programs. The biggest savings, \$3.7 billion over five years, would come from tightening aid rules for immigrants, especially those whose U.S. sponsors can support them.

The White House proposed a cap on state spending in the AFDC emergency assistance program, saving \$1.6 billion. And the corporate Superfund tax would be extended, providing another \$1.8 billion.

While other efforts to revamp the welfare system have failed, Clinton said he believed his would succeed because it requires more responsibility from aid recipients in exchange for more support services. He said that universal health care was a cornerstone of the plan to make work more attractive than welfare.

"I really believe we have a chance, finally, to replace dependence with independence," Clinton said.

Announcing the plan in Kansas City, Mo., Clinton predicted that 1 million welfare recipients will have moved into the labor force by the year 2000.

The plan is expected to be sent later this month to Capitol Hill, where other welfare reform bills, including several that are similar to the White House plan, are pending. But with health care dominating the agenda, Congress is unlikely to act on welfare before next year.

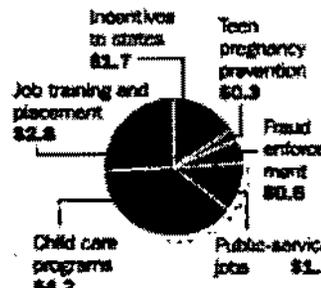
The changes proposed in the 67-year-old Aid to Families with Dependent Children program reflects

A paycheck, not a welfare check

Plans for reforming the nation's welfare system would encourage participants to get training and education to be able to enter the work force. The plan would affect many families who receive Aid to Families with Dependent Children (AFDC) payments, although other welfare program would have eligibility requirements tightened.

Cost for the plan

Projected 5-year expenditures, in billions of dollars, before any savings from fraud- and caseload-reductions.



Sources: News reports, Office of Management and Budget



Education/job training
Programs would help welfare recipients become "job-ready."



2-year limit on benefits
After two years, recipients must take public works jobs.



Mandating fathers pay
Fathers would be made to pay support for their children.



Tax incentives
Tax incentives to help low-income workers.

Chicago Foundation for Research



AP photo

President Clinton, accompanied by Yolanda McGee, details his welfare reform plan during a news conference Tuesday in Kansas City, Mo. McGee, formerly an welfare, now works for a Kansas City bank.

growing public frustration over the dramatic increase in out-of-wedlock births. They also mirror society's changing attitudes on the role of women, who head the vast majority of welfare households and now are expected to balance

work and family duties.

If after two years, a minimum-wage, community service job would be provided. But holders of those public jobs would be required to return to the private

labor market to look for work after 12 months.

Those who refused to participate in education programs or refused to work would lose their welfare checks. Exceptions in the work requirement would be made for mothers with disabilities, infants under 1 year or disabled children. But even scores of those exemptions would be limited.

The proposal also attempts to emphasize personal responsibility by toughening provisions for collecting child support.

Hospitals would be required to establish paternity at birth. A mother who refuses to identify or find her child's father would risk losing her aid check.

Deadbeat dads would face the loss of their drivers' or occupational licenses. A national clearinghouse would be established to catch parents who flee across state lines to avoid support payments.

A national campaign against teen pregnancy would encourage young people to delay child-bearing until they reach a more responsible age.

States some of which have been aggressive in trying various reform experiments, would be given incentives to adopt other carrot-and-stick measures to encourage work and discourage out-of-wedlock births.

States would be allowed to limit benefits for additional children born after the family goes on welfare. Some states already have obtained federal permission to use

such "family caps."

And states would be permitted to change program rules so recipients could accumulate more savings and accept child support without facing the penalty of reduced aid checks. That could help recipients become independent more quickly.

Critics of the plan underscore the difficulties Clinton faces in trying to offer a middle-of-the-road solution on the polarizing issue of welfare. The White House plan was attacked by liberals as too punitive and by conservatives as not sweeping enough.

Welfare rights groups warned that the plan could thrust more children into poverty if their parents' aid checks are cut. Children account for two-thirds of welfare dependents.

"Time-limiting benefits will create more problems than it will solve," said Sunny Harris Rose, president of the National Association of Social Workers.

Rep. Bobby Rush (D-Ill.) criticized the plan for not creating enough jobs to employ all AFDC recipients.

"Jobs that pay livable wages, the kind that can support families, are fundamental to welfare reform," Rush said.

Rep. Newt Gingrich (R-Ga.) said that Clinton "promised us a Ferrarri and gave us a Yugo" on welfare reform. Gingrich said he agreed with the plan's work requirements but he believed that Clinton should have adopted some of the "more decisive" experiments being tried in various

states.

In Illinois, Gov. Jim Edgar said he welcomed Clinton's initiative but said the federal government should do more to allow the states the freedom to pursue their own welfare-to-work proposals.

Edgar said proposals incorporated in Illinois' welfare system have "taken waivers from outdated and rigid federal welfare rules to accomplish," and added that "it is more important than ever that those waivers keep coming."

Welfare-to-work programs already in place in Illinois provide incentives to keep public aid recipients in school and allow more of them to retain more outside income while receiving public assistance.

But the Chicago-based Public Welfare Coalition called Clinton's plan "a new wave of federalism" in joining with 65 civil rights and religious groups across the country in challenging the president's initiative.

"We are staunchly opposed to giving states free rein to limit the rights of welfare mothers and punish children. And these methods will do nothing to discourage teen pregnancies," said Sharon Matthews, the coalition's executive director.

"While we support the president's focus on making the transition from welfare to work, what assurances are we getting that there will be enough public service jobs available for those who can't find employment after two years?"

Shalala tries to ease mayors' welfare fears

ASSOCIATED PRESS

1.10

PORTLAND, Ore.—The Clinton administration sought Sunday to soothe concerns about its welfare reform package raised by big-city mayors who fear it would shift the total burden of caring for the poor to them.

The U.S. Conference of Mayors outlined "areas of concern" in Clinton's \$9.3 billion plan in a resolution to be voted on during its annual meeting in Portland.

The mayors objected to cuts in entitlement programs and the treatment of community service jobs that could put welfare recipients to work. But they said they support Clinton's overall plan.

In an opening address Sunday, Health and Human Services Secretary Donna Shalala told about 200 mayors that she expects great input from local officials as the plan moves through Congress. The administration plans to unveil the details Tuesday.

"We want mayors to play a major role," Shalala said. "We are particularly mindful of the perspective you offer as representatives of many of this nation's low-income people."

The mayors oppose two key aspects of Clinton's plan: a cap on family size and a two-year lifetime limit on Aid to Families with Dependent Children.

"There are some people who will never, never be in a position where they can work. They need help, no question about it," said San Francisco Mayor Frank Jordan. "We have to come up with a better solution there for the long term."

San Francisco spends about \$80 million each year on general assistance for 15,000 people, Jordan said. If welfare recipients are cut off after two years, "then the local entities are going to wind up inheriting the problem," he said.

"I want to see the federal government look at what kind of work programs they are going to provide," Jordan said. "Are they programs that are viable for the future?"

Shalala said the administration is willing to work with mayors on job programs but is firm on the family caps and benefit cut-offs.

"We see this as an option, as one piece of a powerful, overall message of responsibility," she said. "The message you have all



Health and Human Services Secretary Donna Shalala told mayors they will play a "major role."

sent to us is to get the values straight ... to make sure the incentives run in the direction of helping people take more responsibility for their behavior."

Also addressing the conference Sunday was Housing Secretary Henry Cisneros, who unveiled a new plan to fight violent crime in federally assisted housing complexes.

The mayors said they want Clinton to move welfare recipients into community service jobs through the current framework of training programs and education and support services.

Those in community service jobs, the mayors contend, also should be eligible for earned-income tax credits and have the same status as those working in the president's national service program.

"Community service jobs should be seen as important jobs, not jobs of last resort," the resolution said. "Mayors and other local government officials need to be actively involved in identifying the jobs to be done and the agencies administering them."

San Antonio Mayor Nelson W. Wolff expressed fear about the plan's tough sanctions for refusing to look for work, stay in school or participate in job training.

"I have mixed emotions about having mothers devoted to work as opposed to taking care of a child," Wolff said.

(P for the content of the bill)."

In unveiling his proposal, Clinton stressed that it must be accompanied by health care reform. Without universal health coverage, he said, welfare recipients will continue to be faced with an unacceptable trade-off: If they leave welfare for a low-wage job, they probably will have to give up the medical coverage the government provides them and their children.

"Until we fix that, we will never close the circle and have a truly work-based [welfare] system," Clinton said.

Reforming welfare, he said, is a key part of the challenge to restore faith "in certain basic principles that our forebears look for granted—the bonds of family, the virtue of community, the dignity of work."

The plan calls for no tax increases to finance welfare reform. Instead, the President proposed to offset its costs largely through reductions in entitlement programs targeted at the poor. The largest portion, an estimated \$3.7 billion over five years, would come from denial of public assistance to noncitizens. Immigrants whose sponsors earn more than the median income, now about \$40,000, would not qualify for such benefits unless they become citizens.

Another \$1.6 billion would come from capping AFDC's emergency assistance program, which states use at their own discretion to help poor people. The remainder would come in offsets from an assortment of programs, including an extension of the corporate Superfund tax, a limit on benefits paid to drug addicts and alcoholics, reduced crop support payments for affluent farmers and changes in a federally subsidized day care food program.

The Clinton plan would require hospitals

to devise procedures to establish paternity when possible. Tougher child support regulations, including a national clearinghouse to track fathers who fail to make their payments, would cause government child support collections to more than double, Clinton said. New teen-age pregnancy prevention programs would be established in 1,000 middle schools and high schools in disadvantaged neighborhoods.

The age threshold would focus more of the changes on younger participants. By the year 2000, an estimated 14% of potential recipients under 29 would have left the rolls, while another 26% would be working in subsidized, or part-time, jobs, according to Administration estimates.

To discourage recipients from having babies, mothers of infants would be exempt from work requirements for only 12 months after their first babies were born and just three months for subsequent births. Under current law, the grace period is three years.

States would be allowed to impose restrictions to prevent parents from receiving additional benefits by having more children. That concept is opposed by liberals, who argue that it will punish children without really discouraging women from having more.

"With this proposal, he is exposing some of America's most vulnerable children to deprivation and poverty," said Deborah Lewis, legislative counsel for the American Civil Liberties Union.

Conservatives, however, argued that the President's initiative does not go far enough to have an impact on the problem of welfare dependency.

Robert Rector, a welfare specialist at the conservative Heritage Institute, said that

the plan reflects the President's "complete avoidance of the central problem—that one-third of children are born out of wedlock. He's paralyzed."

One of the central issues driving welfare reform is concern about the dramatic increase in out-of-wedlock births. The Clinton plan would require teen-age mothers to live with their parents, except in extreme circumstances, as a condition of receiving benefits. It calls for a national campaign to discourage teen-age pregnancy, involving schools, churches and communities.

The plan gives teen-age mothers special consideration. The clock on the two-year limit would not begin running until they reach the age of 18. States would be given the option to use monetary rewards and sanctions to encourage young parents to remain in school.

"The proposal would make what are probably the most substantial changes in the welfare program in decades—perhaps since AFDC was created in 1935," said Robert Greenstein, executive director of the Center on Budget and Policy Priorities.

"The notion of changing welfare from largely a check-writing system to an employment and work system is a radical change."

Yolanda Magee, a 21-year-old single mother with a 2-year-old son who left welfare for a retail job, applauded the President's plan as she introduced him to the audience in Kansas City. "The welfare system should be geared toward helping single parents get into the job force," she said.

Times staff writers Ronald Brownstein and Jeff Leach in Washington contributed to this story.

NANCY S. JOHNSON
 CHAIRMAN

COMMITTEE ON WAYS AND MEANS
 SUBCOMMITTEE
 HEALTH
 TRADE
 COMMITTEE ON
 STANDARDS OF OFFICIAL CONDUCT
 CO-CHAIR
 EXPORT TASK FORCE

Congress of the United States
House of Representatives
 Washington, DC 20515-0706

143 JENNIFER ST. SE
 143 JENNIFER HOUSE OFFICE BLDG
 WASHINGTON DC 20515-0235
 TELEPHONE (202) 225-4476

NEW BRITAIN OFFICE
 480 MAIN ST. STE 500
 NEW BRITAIN CT 06053
 TELEPHONE (203) 229-3410

July 14, 1994

The Honorable Donna Shalala
 Secretary, Health and Human Services
 615-F Hubert H. Humphrey Building
 Washington, DC 20201

Dear Secretary Shalala:

We commend you and the Welfare Reform Task Force for your work in bringing the issue of welfare reform forward, and would like to express our desire in working with you to move comprehensive welfare reform legislation through the Congress this year.

In reading your proposal to overhaul the welfare system, we are struck by the common ground between it and the House Republican bill, H.R. 3500, which has the support of virtually the entire House Republican Conference. Further, we are optimistic that there is sufficient common ground to fashion a strong, bipartisan bill.

We stand ready to work together to achieve our mutual goal of reforming our nation's welfare system, and hope that you will note the points, listed below, that we believe are essential to real reform:

- **Budget neutrality:** It would be fiscally irresponsible to move a welfare reform bill that added to the deficit. Not only must we consider revenue estimates for the first five years, but we also must pay attention to any rapidly escalating costs that would be incurred in the out years as well.
- **Time limits:** Only those who truly need the additional time for job training or education should reach their time limit; those deemed "job ready" should be encouraged to move directly into a job search/work phase of welfare in which they earn a paycheck while looking for a permanent job.
- **Emphasis on work:** We are pleased to see the wide variety of permissible jobs, including microenterprise development, included in H.R. 4605, and share your support for placing as many welfare recipients in private sector placements as possible. Community service or other public jobs, while worthwhile, should remain as a secondary option for job placement. We cannot agree strongly enough that work encourages self-respect, fosters responsibility, and is consistent with American values.
- **Child support enforcement:** No child should be denied the emotional and financial support from both parents. The establishment of paternity as close to the birth as possible is critical. We support an appropriate use of incentives and sanctions to increase child support collections, not just of the AFDC caseload but overall. The collection statistics for interstate cases, in particular, paint a compelling picture for federal action.
- **Adolescent pregnancy prevention:** Arguably, the best way to reduce dependence on welfare is to reduce the number of young people who have children before they are emotionally and

financially ready. We are pleased that H.R. 4605 recognizes adolescent pregnancy as one of the root causes of future welfare dependence, and want to work with you to send a clear signal to young people that along with parenthood comes long-term responsibility. Adolescent parents should be required to live at home with their parents and stay in school at a minimum and states should be given broad latitude, without waivers, in requiring participation in consumer education, life skills, and child development courses as long as child care is provided.

Though these are just a few of the points necessary to carry out comprehensive welfare reform, we wanted to bring them to your attention with the sincere hope that differences can be worked out to fashion realistic, comprehensive welfare reform legislation this year.

Sincerely,

Nancy L. Johnson

Jerry Lewis

Day Bunker

Way Benten

Steve Sinden

Alyson May

Arno Houghton

Christopher Shays

John Horn

Jim Ch

Rick Lazio

Bill A. Lenz

Frank Lautenberg

**Remarks of President William J. Clinton
Commerce Bank
Kansas City, Missouri
June 14, 1994**

I have come to the heart of America to talk about the values that brought us all here: Faith and family; work and responsibility; community and opportunity.

Last week, Americans took a journey of remembrance, to honor the sacrifices a generation made for freedom. I came home from Normandy with a renewed sense, which I hope you share, of the work we must do in our time to preserve and to use our freedom for generations to come.

Those who won World War II and who rebuilt our country were driven by the bedrock values that have made America strong. Now, facing the dawn of a new century, we must use those same values to light the path ahead. But our challenge is different. For today, we must restore faith in basic principles that those before us could take for granted -- the bond of family, the virtue of community, the dignity of work.

No single public concern poses this challenge more starkly than our welfare system. For there is no greater gap between our people's good intentions and our policy's misguided consequences than in welfare. Our system was started for the right common purpose of helping those who have fallen by the wayside. But it has resulted in the perversion of the very values people need to put themselves back on track.

We must no longer tolerate the gap between our policies and our values. We must repair the damaged bond between our people and their government. That is why I say again: We must end welfare as we know it.

In a few days, I will send Congress my plan to replace a system based on welfare with a system based on work. The Work and Responsibility Act of 1994 will make welfare what it was meant to be: a second chance, not a way of life.

I worked on this problem for years before I became President, with other governors and members of Congress in both parties. I worked on it with people who were on welfare -- lots of them. Let me say to anyone who wishes to join in this debate: If you want to know what's wrong with welfare, listen to the people on it. The people who want to change the welfare system most are the people who are trapped by it.

Here today, I met a dozen parents who used to be on welfare but now get up every morning and go to work in factories, small businesses, and banks like this one. People like Yolanda Magee, a single mother trying to raise her two-year-old son without any child

support, who left welfare to work for a living. Most people on welfare want to do exactly what she has done — get off welfare, go back to work, and do right by their kids.

People who can work ought to go to work, and get a pay check, not a welfare check. If you can do that here in Kansas City, we can do it all across this country.

We must begin with responsibility. Governments don't raise children, parents do. Our plan includes the toughest child support enforcement measures ever proposed. We're going after the \$34 billion child support gap in this country by saying to absent parents: If you're not providing for your children, we'll garnish your wages, suspend your license, track you across state lines, and if necessary, make some of you work off what you owe. We can't let fathers just up and walk away.

Responsibility also means rewarding responsible parents. Now, the system does just the opposite: it actually pays teen parents more to move out than to stay at home. That's crazy. Teen parents ought to live at home, stay in school, and take responsibility for their and their children's futures.

We have to change the signals we're sending the next generation. The rate of illegitimacy in this country has quadrupled since Daniel Patrick Moynihan first called it to our attention nearly 30 years ago. At the rate we're going, within a decade more than half our children will be born into homes where there has been no marriage.

We must keep people from the need to go on welfare in the first place. Together, we must undertake a national campaign against teen pregnancy, to send the powerful message that it is wrong for teens to have children outside marriage. We will never find a substitute for the American family. No nation ever has.

Even if we strengthen our families, no system will ever do the job unless it is rooted in one basic goal: getting people who can work back to work. For work is the best social program this country has ever devised. Work gives hope and structure and meaning to our lives. Every one of us would be lost without it.

We'll offer people on welfare a simple compact: We'll help them get the skills they need. But after two years, anyone who can work will have to go to work, in the private sector if possible, in a subsidized job if necessary.

This plan will let communities do what's best for them, not what somebody back in Washington says is best for them. We'll give communities the chance to put their people to work — in child care and home health care and other fields we desperately need. We want every community to do what you've done here in Kansas City, and bring business and civic leaders together to find people on welfare lasting jobs in the private sector.

If we want people to work, we've also got to reward people for going to work. That's why we pushed so hard last year to increase the Earned Income Tax Credit, a tax cut that will help 15 million families pull themselves out of poverty. People who work shouldn't be poor.

That's just one more reason Congress needs to pass health reform this year to ensure all Americans health coverage wherever they work. One million women and children are on welfare today because it's the only way they can get health care. Those who choose to leave welfare for jobs without health benefits find themselves in this incredible position: They're paying taxes that help to pay for health care coverage for those who chose to stay on welfare. We can't solve the welfare problem unless we also solve the health care problem.

I'm asking Congress to pay for welfare reform not by adding to the deficit or imposing new taxes. We're going to pay for this through spending cuts, as well as savings within the program from reducing caseloads and cracking down on fraud. Welfare reform costs money, but over time, it will save money, too. Even by the most conservative estimates, these changes together will move a million adults who would otherwise be on welfare into work or off welfare altogether by the year 2000.

And if we can change the values system of our society toward work and responsibility, the full savings over the long haul are more than we can count. As Pat Moynihan wrote 25 years ago, "The true issue about welfare is not what it costs the taxpayers, but what it costs the recipients."

None of what we propose today will be easy to accomplish. We're trying to turn around a problem that has been generations in the making. That is why the next generation is where we must start. They are the ones who must break this awful cycle. We can't afford to lose another generation arguing over what must be done.

For that reason, ending welfare ought to be a bipartisan issue. Over the last 30 years, the poor have seen all the political posturing they can take. If we can heal families, I don't care who gets the credit. Family is where we learn responsibility for ourselves and those we love, and family is where we find faith, dignity, and hope. Those values aren't Republican values or Democratic values. They're American values.

I once had a hearing when I was a governor, and brought in people on welfare from all over America who had found their way to work. The woman from my state who testified was asked, what's the best thing about being off welfare and in a job? Without blinking an eye, she looked at the governors and said, "When my boy goes to school and they say what does your mother do for a living, he can give an answer."

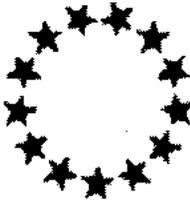
We owe every child in America the chance to give that answer. Today, the end of welfare must begin.

Carroll A. Campbell Jr.
Governor of South Carolina
Chairman

Howard Dean
Governor of Vermont
Vice Chairman

Raymond J. Szymanski
Executive Director

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1112
Telephone (202) 624-5300



June 14, 1994

Statement on President Clinton's Welfare Reform Proposal

The National Governors' Association supports the principles embodied by President Clinton's welfare reform proposal, which builds on lessons learned in state welfare initiatives. We believe that such state experimentation will continue to be critical to national progress in welfare reform. We also believe that comprehensive reform must be accompanied by a commitment to allow states to complete already approved demonstration projects.

The President's proposal builds on the 1988 Family Support Act and incorporates many of the reform principles endorsed by the Governors:

- Welfare as a transition to self-sufficiency
- Assistance for those not yet ready for employment or training
- Time-limited cash assistance, including education and training to help prepare for work
- Improved child care and Earned Income Tax Credits for low-income working families
- Enhanced interstate child support enforcement
- Expanded programs to encourage family stability and limit teen pregnancy
- Increased state flexibility in program design
- Improved coordination between Aid to Families With Dependent Children (AFDC) and Food Stamps
- Enhanced federal financing, including lower state matching rates

We believe welfare reform is an essential component in restoring responsibility and stability to the American family. The President's proposal is a positive contribution to the welfare reform debate and we particularly welcome its focus on incentives for work and time limits for cash assistance for those able to work.

The Administration consulted extensively with states and localities in developing the welfare reform proposal, and we commend the President and his Working Group on Welfare Reform for their commitment to an open consultation process. Like the Governors' policy, the President's proposal recognizes the importance of work as an alternative to welfare and includes numerous elements designed to enhance state ability to prepare and place recipients in work.

Throughout our discussions, the states have emphasized the importance of flexibility and continued innovation. There is no one-size-fits-all solution to welfare, and states must have the flexibility to develop programs and services that will address the unique characteristics of our welfare populations and economic conditions within our individual states. We applaud the President's efforts, within the framework of his plan, to afford states specific options to try different approaches without having to apply for waivers. These state options include making

JUN 14 '94 10:16AM NGA 202 624 5825

P. 3/3

work pay by expanding earned income disregards and providing advance payments of the Earned Income Tax Credit.

States have invested considerable time and effort in the development of experiments to test a variety of reform initiatives, including many approved by the administration. We must emphasize, however, the importance of allowing states to complete the welfare demonstrations currently underway through waivers and to look favorably on new waiver applications.

Welfare is a complex program. The fundamental changes sought by the President and the Governors will require the enactment of a law that clearly recognizes the balance between the federal role in defining basic policy objectives and the state and local role in crafting the procedures and processes needed to obtain those objectives. The NGA will work closely with the administration and the Congress to ensure that the balance is achieved. Final federal legislation must not become overly prescriptive or detailed.

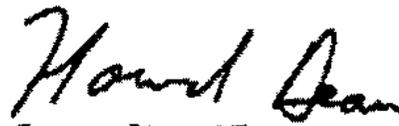
It should be noted that NGA has not yet seen legislative language and that individual Governors may have additional comments on specific issues as that language becomes available for review.

Our policy does not address specifically the issue of financing. States are concerned, however, that current program costs, such as the cost of assistance to immigrants without other resources, not be shifted to the states in order to pay for the federal share of welfare reform. We will be doing additional analysis of the financing mechanisms as details become available in order to determine the financial impact on states. We are also concerned about any sanctions that would penalize states for failing to adopt mandated intrastate child support procedures or reduce the federal match for basic assistance, such as for failing to meet employment program performance standards. We believe there is a shared federal-state responsibility for providing basic benefits, and we are concerned about a precedent of this kind.

In summary we support the principles in the President's proposal. The Governors note that there are other proposals currently before the Congress that also incorporate a number of these principles and urge Congress to take advantage of this apparent momentum to enact welfare reform as quickly as possible that reflects the Governors' principles and addresses our concerns. We look forward to working with the Administration and Congress to this end.



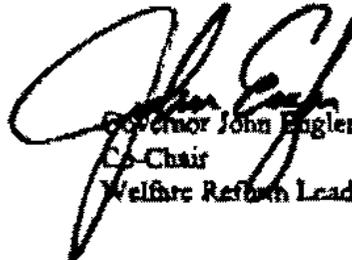
Governor Carroll Campbell
Chair



Governor Howard Dean
Vice Chair



Governor Tom Carper
Co-Chair
Welfare Reform Leadership Team



Governor John Engler
Co-Chair
Welfare Reform Leadership Team

Date: 04/25/94 Time: 19:27

WR-
Notebook

Study Finds Training Effective in Moving Welfare Mothers Off Rolls

WASHINGTON (AP) Government training programs are moving limited numbers of single mothers off welfare and into jobs, and much more would need to be done to achieve President Clinton's "two years and out" reform proposal, according to a federal study Monday.

The report, by the National Commission for Employment Policy, said federal employment and training programs must be significantly expanded and upgraded if Clinton's plan to require welfare recipients to find a job within two years is to succeed.

The commission, an independent federal agency that advises the president and Congress on employment issues, also said that a two-year limit on welfare benefits will only work if training and employment are tailored to each parent's individual needs. And support services, such as transportation and child care, must be made available.

"There is no silver bullet to end welfare dependency," said Commission Chairman Anthony Carnevale.

"The good news is that established government-sponsored employment and training programs can move welfare recipients into the workplace and beyond poverty under a 'two and out' plan," Carnevale said. "However, we must focus much more attention on the quality and kind of services offered."

A Clinton administration task force has drafted a plan to limit welfare benefits to two years, followed by mandatory work for participants unable to find a job on their own.

The cost of paying for those jobs and expanding education, training and child-care for the youngest of the 5 million families now on AFDC is expected to total \$10 billion to \$13 billion over the first five years, and from \$30 billion to \$40 billion over 10 years.

The administration, however, has yet to decide how to pay for its plan.

The commission's study tracked 6,467 women on Aid to Families with Dependent Children who enrolled in training and employment services under the federal Job Training and Partnership Act in 1986.

None had worked for at least a year before beginning classroom study or on-the-job training with JTPA. After participating in JTPA, for roughly four to six months, three-fourths of the women were placed in a job.

Half of those women were employed during the first year after JTPA and just under half were employed in their second year.

Sixteen percent had moved out of poverty in their first year after completing JTPA and 22 percent were above poverty in their second year.

The women all volunteered for JTPA, and appear to be a select group motivated to work, the study said.

In contrast, fewer than 20 percent of AFDC recipients who had not been employed in the previous year were similarly motivated and looking for work, the study said, citing Census Bureau data.

Carnevale said the ultimate goal of training programs like JTPA must be to place people in good jobs that offer a chance at economic self-sufficiency.

According to the commission's study, parents who received intensive services, such as occupational classroom training and on-the-job training, were more likely to move out of poverty than those who received minimal services, such as help finding a job.

^ About one-third of parents on welfare are functionally illiterate and half are high-school dropouts, Carnevale said.
APNP-04-25-94 1928EDT