



DEPARTMENT OF HEALTH & HUMAN SERVICES

WP-Caseload

Melissa T. Skolfield

Assistant Secretary for Public Affairs

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To: *Bruce Reed / Elena Kagan*
Cynthia Rice

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Date: *4/3* Total number of pages sent: *3*

Comments:

*Here are the Jan. 93 - Jan. 97
caseload numbers. We will
hold them until further notice.*

*Thanks,
Joy*

CHANGE IN WELFARE CASELOADS**Total AFDC/TANF families and recipients**

	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u> (millions)	<u>Jan. 96</u>	<u>Jan. 97</u>	<u>percent(93-97)</u>
Families	4.963	5.053	4.936	4.628	4.104	-17%
			<i>859,000 fewer families</i>			
Recipients	14.115	14.276	13.918	12.877	11.360	-20%
			<i>2,755,000 fewer recipients</i>			

Total AFDC/TANF recipients by State

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Jan. 96</u>	<u>Jan. 97</u>	<u>percent(93-97)</u>
Alabama	141,746	135,096	121,837	108,269	91,569	-35%
Alaska	34,951	37,505	37,264	35,432	36,189	+4%
Arizona	194,119	202,350	195,082	171,617	151,526	-22%
Arkansas	73,982	70,563	65,325	59,223	54,751	-26%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,474,689	+2%
Colorado	123,308	118,081	110,742	99,739	87,074	-29%
Connecticut	160,102	164,265	170,719	161,736	155,578	-3%
Delaware	27,652	29,286	26,314	23,153	23,141	-16%
D.C.	65,860	72,330	72,330	70,082	67,871	+3%
Florida	701,842	689,135	657,313	575,553	478,329	-32%
Georgia	402,228	396,736	388,913	367,656	305,732	-24%
Hawaii	54,511	60,975	65,207	66,690	65,312	+20%
Idaho	21,116	23,342	24,050	23,547	19,925	-6%
Illinois	685,508	709,969	710,032	663,212	599,629	-13%
Indiana	209,882	218,061	197,225	147,083	121,224	-42%
Iowa	100,943	110,639	103,108	91,727	78,076	-23%
Kansas	87,525	87,433	81,504	70,758	57,528	-34%
Kentucky	227,879	208,710	193,722	176,601	161,150	-29%
Louisiana	263,338	252,860	258,180	239,247	206,582	-22%
Maine	67,836	65,006	60,973	56,319	51,031	-25%
Maryland	221,338	219,863	227,887	207,800	169,723	-23%
Massachusetts	332,044	311,732	286,175	242,572	207,932	-37%
Michigan	686,356	672,760	612,224	535,704	460,793	-33%
Minnesota	191,526	189,615	167,949	171,916	159,855	-17%
Mississippi	174,093	161,724	146,319	133,029	108,365	-38%
Missouri	259,039	262,073	259,595	238,052	208,132	-20%
Montana	34,848	35,415	34,313	32,557	26,294	-25%
Nebraska	48,055	46,034	42,038	38,653	36,490	-24%
Nevada	34,943	37,908	41,846	40,491	28,817	-18%
New Hampshire	28,972	30,386	28,671	24,519	20,627	-29%
New Jersey	349,902	334,780	321,151	293,833	256,000	-27%
New Mexico	94,836	101,676	105,114	102,648	89,814	-5%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,074,100	-9%
North Carolina	331,633	334,451	317,836	282,086	252,564	-24%
North Dakota	18,774	16,785	14,920	13,652	11,904	-37%
Ohio	720,476	691,099	629,719	552,304	518,595	-28%
Oklahoma	146,454	133,152	127,336	110,498	87,144	-40%
Oregon	117,656	116,390	107,610	92,182	66,919	-43%
Pennsylvania	604,701	615,581	611,215	553,148	483,625	-20%

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<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Jan. 96</u>	<u>Jan. 97</u>	<u>percent(93-97)</u>
Rhode Island	61,116	62,737	62,407	60,654	54,588	-11%
South Carolina	151,026	143,883	133,567	121,703	97,146	-36%
South Dakota	20,254	19,413	17,652	16,821	14,050	-31%
Tennessee	320,709	302,608	281,982	265,320	194,860	-39%
Texas	785,271	796,348	765,460	714,523	625,376	-20%
Utah	53,172	50,657	47,472	41,145	35,442	-33%
Vermont	28,961	28,095	27,716	25,865	23,515	-19%
Virginia	194,212	194,959	189,493	166,012	135,908	-30%
Washington	286,258	292,608	290,940	276,018	263,792	-8%
West Virginia	119,916	115,376	107,668	98,439	68,600	-43%
Wisconsin	241,098	230,621	214,404	184,209	123,758	-49%
Wyoming	18,271	16,740	15,434	13,531	10,117	-35%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
April 1997



DEPARTMENT OF HEALTH & HUMAN SERVICES

WR - Caseloads

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Assistant Secretary for Public Affairs

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Rahm Emanuel

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Date: 3/6 Total number of pages sent: 3

Comments:

*F4I - December Caseload
Numbers.*

CHANGE IN WELFARE CASELOADS**Total AFDC/TANF families and recipients**

	<u>Jan.93</u>	<u>Jan.94</u> (millions)	<u>Jan.95</u>	<u>Dec.96</u>	<u>percent (93-96)</u>
Families	4.963	5.053	4.936	4.143	-17%
		820,000 fewer families			
Recipients	14.115	14.276	13.918	11.496	-19%
		2,619,000 fewer recipients			

Total AFDC/TANF recipients by State

<u>state</u>	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u>	<u>Dec.96</u>	<u>percent (93-96)</u>
Alabama	141,746	135,096	121,837	87,966	-38%
Alaska	34,951	37,505	37,264	35,198	+1%
Arizona	194,119	202,350	195,082	157,270	-19%
Arkansas	73,982	70,563	65,325	55,074	-26%
California	2,415,121	2,621,383	2,692,202	2,488,308	+3%
Colorado	123,308	118,081	110,742	89,298	-28%
Connecticut	160,102	164,265	170,719	156,361	-2%
Delaware	27,652	29,286	26,314	23,011	-17%
District of Columbia	65,860	72,330	72,330	68,378	+4%
Florida	701,842	689,135	657,313	491,021	-30%
Georgia	402,228	396,736	388,913	309,227	-23%
Hawaii	54,511	60,975	65,207	65,365	+20%
Idaho	21,116	23,342	24,050	20,094	-5%
Illinois	685,508	709,969	710,032	608,543	-11%
Indiana	209,882	218,061	197,225	120,041	-43%
Iowa	100,943	110,639	103,108	80,416	-20%
Kansas	87,525	87,433	81,504	57,951	-34%
Kentucky	227,879	208,710	193,722	162,282	-29%
Louisiana	263,338	252,860	258,180	213,551	-19%
Maine	67,836	65,006	60,973	51,056	-25%
Maryland	221,338	219,863	227,887	174,138	-21%
Massachusetts	332,044	311,732	286,175	210,877	-36%
Michigan	686,356	672,760	612,224	470,896	-31%
Minnesota	191,526	189,615	167,949	161,346	-16%
Mississippi	174,093	161,724	146,319	111,535	-36%
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Nevada	34,943	37,908	41,846	31,043	-11%
New Hampshire	28,972	30,386	28,671	20,839	-28%
New Jersey	349,902	334,780	321,151	260,500	-26%
New Mexico	94,836	101,676	105,114	91,629	-5%
New York	1,179,522	1,241,639	1,266,350	1,090,434	-8%
North Carolina	331,633	334,451	317,836	255,592	-23%
North Dakota	18,774	16,785	14,920	11,952	-36%
Ohio	720,476	691,099	629,719	527,320	-27%

- 2 -

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Dec. 96</u>	<u>percent (93-96)</u>
Oklahoma	146,454	133,152	127,336	88,754	-39%
Oregon	117,656	116,390	107,610	67,195	-43%
Pennsylvania	604,701	615,581	611,215	487,549	-19%
Rhode Island	61,116	62,737	62,407	54,400	-11%
South Carolina	151,026	143,883	133,567	98,927	-34%
South Dakota	20,254	19,413	17,652	14,062	-31%
Tennessee	320,709	302,608	281,982	204,606	-36%
Texas	785,271	796,348	765,460	622,460	-21%
Utah	53,172	50,657	47,472	35,955	-32%
Vermont	28,961	28,095	27,716	23,303	-20%
Virginia	194,212	194,959	189,493	139,177	-28%
Washington	286,258	292,608	290,940	261,164	-9%
West Virginia	119,916	115,376	107,668	66,993	-44%
Wisconsin	241,098	230,621	214,404	128,212	-47%
Wyoming	18,271	16,740	15,434	11,200	-39%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
March 1997

5/10/96

WR - Caseload

NOTE TO BRUCE REED:

According to DHHS Administration for Children and Families (ACF), there were 14.115 million welfare recipients in January 1993. In February 1996, the most recent month for which we have data, there were 12.816 million welfare recipients -- a decline of 1.299 million welfare recipients (or about 1.3 million) from January 1993.

Please let me know if you need anything else.

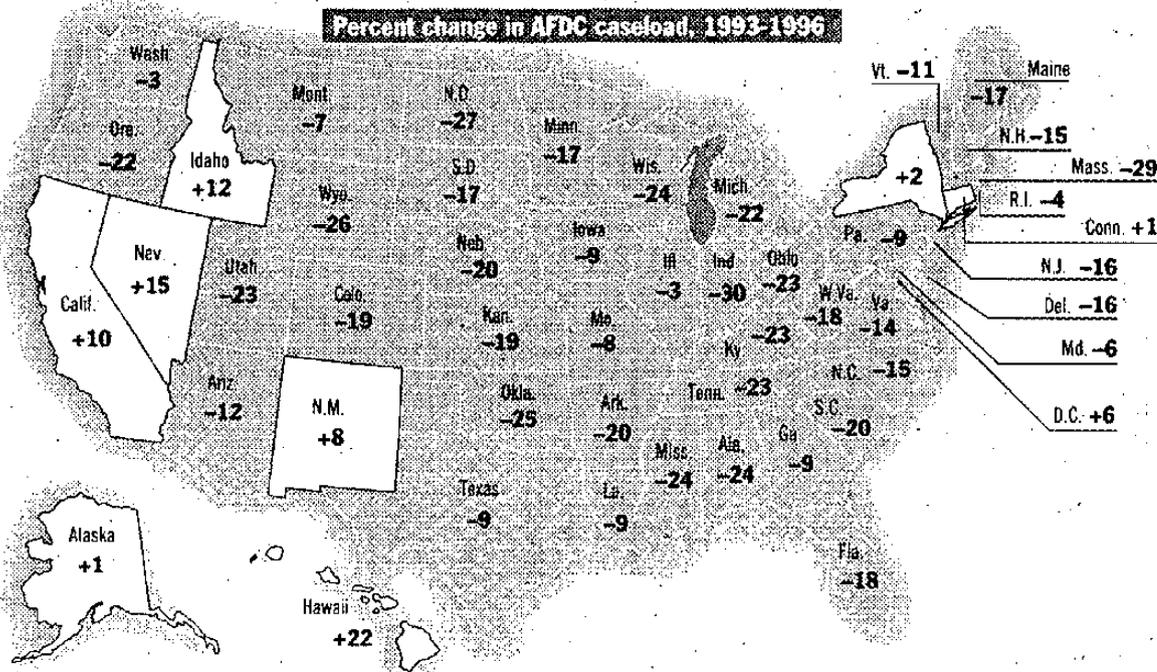
Thanks --
Sarah Gegenheimer

MAY 13, 1996

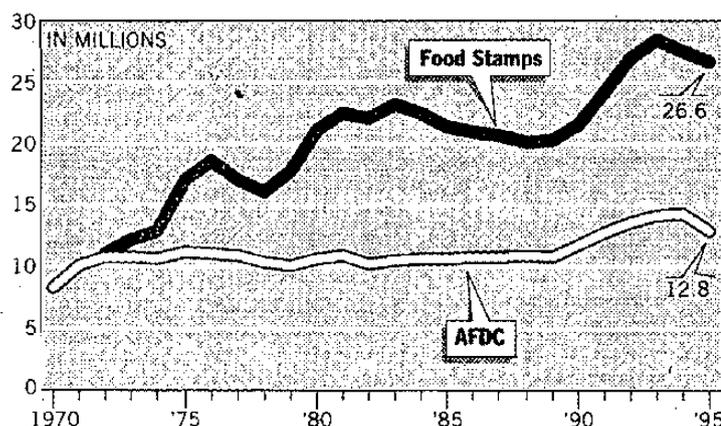
WR Caseload

MINUS SIGNS ON THE MARCH

The number of Americans receiving Aid to Families with Dependent Children, the nation's basic cash welfare program, has declined significantly over the past three years. For the nation as a whole, the caseload has fallen from 14.1 million to 12.8 million, a decrease of 9 percent.

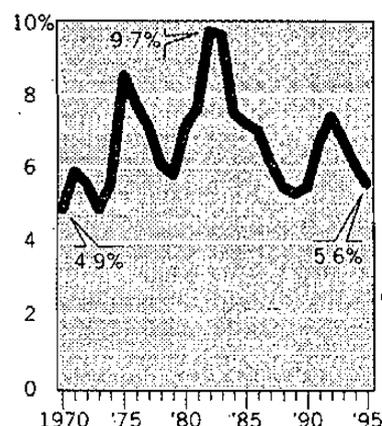


Average number of recipients of AFDC and food stamps, 1970-95



SOURCES: Department of Health and Human Services, Report of the President, 1996.

Unemployment rate, 1970-95



File
w/feedback
cc: Cynthia

New and Improved? Not Quite

By Paul Offner

WASHINGTON
When President Clinton announced recently that welfare caseloads are down by 2.1 million from four years ago, he called it "the biggest drop in welfare rolls in history." The President pointed to the waivers he has granted to 43 states, making it easier for them to place welfare recipients in jobs and training programs. Republican leaders gave the credit to Governors like John Engler of Michigan and Tommy Thompson of Wisconsin.

But the impressive caseload reduction occurred under the old, discredited welfare law that Mr. Clinton and the Republicans have repealed. Neither party seemed interested in explaining why, if it was working so well, we had to scrap that system for an approach that will put millions of children at risk of becoming destitute.

The President's waivers may well have helped states move welfare recipients off the rolls. But the business cycle, historically, has been the primary influence on the number of welfare recipients. From 1989 to 1993, a period of rising unemployment, the welfare caseload grew from 10.8 mil-

Paul Offner is the District of Columbia's Commissioner of Health Care Finance.

lion to 14 million. After that, unemployment declined, and by October 1996, the number of welfare recipients was down to 11.8 million. The system worked.

So why the need for such a drastic fix? The public seems to think that welfare dependence has been on the rise. It has not. Actually, a smaller proportion of the population is on the dole today compared with 25 years ago. From 1972 to 1989, about 4.8 percent received Aid to Families with Dependent Children. By 1993, about 5.4 percent did. Today, it's down to 4.6 percent.



Timing is everything in politics, and in this area, the conservatives have had all the luck. In 1988, a Democratic Congress passed, and President Ronald Reagan signed, the Family Support Act, which encouraged modest state and Federal investments in job training, day care and other services welfare mothers need to become self-sufficient. Then the economy soured, caseloads started growing, and governors found their states short of money to invest in reform efforts. The Family Support Act did finance a number of

The welfare law is being overrated.

experimental programs that increased employment, earnings and school attendance. But because of the economic downturn, welfare caseloads increased by 30 percent in the first four years. Obviously, the new law wasn't working, critics said.

Now the economy is strong, the number of welfare recipients is declining and already the new law looks like a success. But eventually the economy will weaken and more people will seek welfare. States will run out of money — the law freezes Federal financing at earlier levels — and will be unable to meet the law's ambitious work requirements.

The President, though, foresees only clear sailing. "Together, we can make the permanent underclass a thing of the past," he said. Yet there's little in the new law to help reverse the high levels of unemployment and out-of-wedlock births in poor urban neighborhoods. In 1964, President Lyndon Johnson articulated a similar vision, saying the nation must make "a commitment to eradicate poverty." Unfortunately, Mr. Clinton is not likely to do any better than his predecessor. □

The New York Times

MONDAY, FEBRUARY 24, 1997

To Ralun / B. Reed
Fyi - make sure
good pt ->
R

THE PRESIDENT HAS SEEN

2-25-97



DEPARTMENT OF HEALTH & HUMAN SERVICES

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Assistant Secretary for Public Affairs

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*W. Caseload
cc: Cynthia*

To: Rahm Emanuel
Bruce Reed
Elena Kagen
Lynn Hogan
Diana Fortna

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Date: 2/21 Total number of pages sent: 3

Comments:

Here are the November caseload numbers -- which show a further decrease to 11.631 million recipients and 4.202 million families nationwide -- an 18% drop since Jan. 1993.

Please let me know if you have questions.

*Thanks,
Jody*

CHANGE IN WELFARE CASELOADS**Total AFDC families and recipients**

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		2,484,000 fewer recipients			

Total AFDC recipients by State

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Hawaii	54,511	60,975	65,207	65,993	+21%
Idaho	21,116	23,342	24,050	20,006	-5%
Illinois	685,508	709,969	710,032	606,979	-11%
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Nevada	34,943	37,908	41,846	31,121	-10%
New Hampshire	28,972	30,386	28,671	21,233	-27%
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South Carolina	151,026	143,883	133,567	103,131	-32%
South Dakota	20,254	19,413	17,652	14,215	-30%
Tennessee	320,709	302,608	281,982	214,855	-33%
Texas	785,271	796,348	765,460	626,940	-20%
Utah	53,172	50,657	47,472	36,360	-32%
Vermont	28,961	28,095	27,716	23,239	-20%
Virginia	194,212	194,959	189,493	141,430	-27%
Washington	286,258	292,608	290,940	260,916	-9%
West Virginia	119,916	115,376	107,668	71,240	-40%
Wisconsin	241,098	230,621	214,404	134,407	-44%
Wyoming	18,271	16,740	15,434	10,767	-41%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
February 1997

One camp subscribes to the cell-phone-as-lifesaver theory.

"Let me tell you something," said an emphatic Cecelia Williams, manager of an L.A. Cellular Superstore in downtown Santa Monica. "The cellular phone is the best freeway safety device ever invented. Period.

"Do you know how many times I have reported accidents from my cell phone or called police about drunken drivers who were receiving texts while wandering the streets? These phones help save lives."

But those who don't own mobile phones see them as obnoxious toys.

"They shouldn't allow them to be used in cars," said one man at Santa Monica's Third Street Promenade. "With all that traffic, what's so important to say that you

cellular phones. It's a place where the car phone has become as ubiquitous as the roadside palm tree. Mobile phones can be purchased at cellular phone specialty shops, electronics boutiques, department stores, drug stores and even from an occasional freeway offramp hustler.

Car phone advocates acknowledge that using a cellular phone can be a distraction while driving, but insist that it's a lot like walking and chewing gum at the same time—anyone can do it.

"We as a company encourage people to drive properly and defensively," said Steve Crosby, a spokesman for L.A. Cellular and a car phone user. "The No. 1 purpose while behind the wheel is to drive the car, not put on your lipstick or shave or even use the telephone."

California Highway Patrol officers said Thursday that

CHP public affairs officer in Glendale. "If you're on the phone and you come across a dangerous situation, you hang up. But if you're driving, there's no way out. You're deuced straighten up."

Lund said that although the CHP does not k tics on mobile phone accident reports, officers are thankful for the tips. But the sheer volume of shows the runaway popularity of cellular phones get so many duplicate calls, sometimes a doze for the same accident—even after the help has been he said.

More aggravating, he said, were the motorists who misuse the 911 emergency line.

"For every person doing us a public service,"

Please see PH

THE PRESIDENT HAS SEEN

State's Welfare Rolls Stubbornly High

■ **Aid:** Congressional panel says number of caseloads isn't dropping as fast as it is elsewhere in nation. As a result, increase in federal funding probably will be modest.

By MELISSA HEALY
TIMES STAFF WRITER

WASHINGTON—As welfare rolls plummet across the country, California's population of social aid recipients remains stubbornly high, putting the state—and its poor residents—at a disadvantage in the new federal welfare reform funding formula, a congressional panel reported Thursday.

After several years of modest increases, California's welfare caseload dropped 4.19% between 1995 and 1996, and is expected to have dropped by 11% by the end of 1998, the House Ways and Means Committee estimates in a report assessing the state-by-state impact of the 1996 welfare reform bill.

California's modest pace stands in stark contrast to some of the fast movers in the nation's welfare reform sweepstakes.

Maryland and Wisconsin have driven their welfare rolls down by more than 28% apiece in the past two years, and Oregon's rolls fell by more than 22% in the same period.

In September 1996, the latest period for which information is available, California maintained 870,200 households—about 2.5 million people—in the federally funded Aid to Families With Dependent Children program, down from 900,000 households in September 1995.

Sacramento's failure to decrease welfare caseloads more dramatically means that California will see a very modest increase in the amount of federal funds it has to spend on each family that remains on the rolls. Under the bill, which transfers federal welfare funds to the states in the form of block grants, the size of a state's block grant will be based in most cases on the amount of

federal aid a state received in 1994.

As a result, states that succeed in reducing their welfare rolls significantly from the 1994 level will have more federal funds to spend on the families still on welfare. The congressional report on state welfare caseloads indicates that while virtually all other states will see substantial increases in that aid-per-family index, California's remaining welfare recipients will get an increase of just 14% in federal aid available.

Only Alaska, Hawaii and the District of Columbia fared worse on this measure of progress.

The slow decline in California's welfare rolls, and the wide disparity among different states' records in this area, rekindled debate on one of the central questions of welfare reform: What makes people give up public assistance?

Rep. Clay Shaw (R-Fla.), one of the chief architects of the welfare reform bill passed last year, on Thursday called the declines "remarkable" and said no factor has been more important in driving down welfare

Please see WELFARE, B3

Negotiations for Headwaters Forest Falter

■ **Conservation:** Charles Hurwitz, who owns the old-growth redwoods, has been critical of government financial terms. New

selling the Headwaters acreage at a bargain price, is angry that federal officials haven't presented him with a formal appraisal of the property they are offering in exchange.

Firm Barred From Discussing Anti-Tobacco Campaign

■ **Health:** In attempt to curb tobacco leaks, new state contract with agency must get written permission before speaking to reporters or other media in its campaigns.

By DAN MORAIN
TIMES STAFF WRITER

SACRAMENTO—State Department of Health Services under attack from anti-tobacco groups and others, have a gag on the Los Angeles firm advertising California's new anti-tobacco advertising campaign.

In the new contract with Los Angeles advertising firm Asher/Gould, the Department of Health Services is requiring the firm obtain written approval before speaking to reporters or other outsiders about the ad campaign. "Asher/Gould" is the name of the firm.



ed in leged heft Ring

the raids. "In my estimation this is a multimillion-dollar operation."

About a dozen deputies with search warrants stormed the hub of the operation, a large storage and office facility in the 15500 block of Erwin Street in Van Nuys. Officers shattered an office window to reach suspects who they believed were destroying evidence.

Though the ringleaders were not expected to be armed, deputies wore tactical gear because some of the illegal equipment was believed to be purchased from suspects in an Ontario armed robbery.

Three men taken into custody at the Erwin Street location were handcuffed and scated on the ground against a late-model Mercedes convertible that authorities suspect was purchased with profits from the operation.

A nearby van filled with cases of converter boxes was confiscated by authorities, who were trying to determine where they came from.

The investigation will continue to determine if the ring stretches to other locations in other states. "There may be some [police] knocking on doors nationwide," Hiles said.

Two other men were taken into



Sheriff's Deputy Guy Hiles, above, checks cable TV converter box seized in raid. A suspect arrested in the crackdown on alleged cable TV theft ring sits next to seized luxury car in Van Nuys, left.

custody at the other locations. The identities of those arrested were not immediately available.

The other sites raided were a residence in the 6300 block of Langdon Avenue, In and Out Stereo in the 14300 block of Victory Boulevard, and a residence in the 5600 block of Murietta Avenue, all in Van Nuys.

Deputies also searched a residence in the 9500 block of Rhea Avenue in Northridge and J and R's Electronics in the 7200 block of Geyser Avenue in Reseda. The illegal gear had yet to be cataloged, but deputies said they recovered hundreds of cases of equipment, most appearing to be illegal converter boxes, known as "black boxes."

"Black boxes" are modified converter devices used to receive encoded television signals. Generally sold for about \$150, they allow viewers to see cable and pay-per-view events for free.

Perry C. Parks, a vice president of public affairs for Continental Cablevision, said there would be further investigation, including looking into the names of customers who purchased the boxes.

The company plans to pursue civil action against the most serious offenders, in addition to pressing law enforcement to assess the maximum \$1,000 misdemeanor fine for receiving the illegal equipment, the spokesman said.

Under state law, a person advertising four or more illegal converter boxes for sale or possessing nine or more illegal converter boxes for eventual sale faces up to one year in jail, a \$25,000 fine or both.

Continental spends \$1 million a year for 18 security officers to combat illegal cable use, which costs the company tens of millions of dollars annually.

"The money lost through this activity is a cost that generally gets passed on to the legitimate customer," Parks said.

"We're doing this to take a tough stance on people organizing this theft. But we also want to send a message to the end user that he is doing something that's against the law."

Parks said most cable companies, including Continental, will offer amnesty to people caught receiving illegal cable if they

purchase a subscription package.

Nevertheless, about 250,000 to 500,000 people use illegal decoder boxes in Los Angeles and Orange counties, according to industry estimates.

The National Cable Television Assn.'s office of signal theft estimates that the cable black market cheats the U.S. cable industry out of \$4.7 billion annually.

And because most cable franchises, like Continental, pay a percentage of their revenue to the cities they serve, municipalities are losing millions from their coffers.

Thursday's raids come five months after charges were brought against nine people believed to be involved in the nation's largest cable television piracy scam—allegedly bilking cable companies and taxpayers out of hundreds of millions of dollars.

That alleged scheme included the theft of more than 16,000 cable converter boxes, including 3,500 stolen from a Los Angeles Police Department evidence room in July 1994.

WELFARE

Continued from B1

rolls than the "signal effect" from the political debate over welfare. Confronted with the prospect of strict work requirements and lifetime limits on benefits, Shaw said Thursday, those on welfare and those considering applications have gotten out—often ahead of statutory deadlines—and sought work or some other alternative to public assistance to make ends meet.

Shaw credited existing state welfare reform initiatives, which were undertaken with waivers from the federal government, as another important factor in reducing caseloads. Although the upturn of the economy has contributed to the trend, Shaw suggested that it was third in importance, behind political and policy shifts.

President Clinton, in a recent news conference, reckoned that policy changes and the economy's resurgence have had roughly equal effects on the nation's welfare rolls.

With few formal evaluations in place, the relative weight of these factors remains a topic of heated debate among economists, policymakers and politicians. In the absence of hard data, observed one government policy expert, "This is a politician's dream: You can say anything you want to."

The decline of welfare rolls in place, the relative weight of these factors remains a topic of heated debate among economists, policymakers and politicians. In the absence of hard data, observed one government policy expert, "This is a politician's dream: You can say anything you want to."

But some economists cautioned that the sluggish decline in California's rolls suggests the strong influence of a state economy that has yet to fully recover from recession. While the nation's unemployment rate hovers around 5.4%, joblessness in California remains close to 7%.

"California should not be lashing itself for its failure. If the state had a better unemployment rate, it'd look better on this count too," said Gary Burtless, an economist who studies the impact of welfare reform at the Brookings Institution in Washington.

Burtless said that historically, policy changes do appear to play a lead role in pushing welfare rolls up or down, often at times when economic circumstances would suggest otherwise. But in cases where aid recipients are being pushed into the job market, the strategy is successful only if jobs are there for them, he noted.

Burtless cited two reasons for California's slow paring of its welfare rolls. First, the state shifted relatively late from a welfare reform program that emphasized basic education to a work-oriented approach. Second, the state's economy has not created the necessary jobs.

In 1998, according to the congressional study released Thursday, California will probably get \$4,973 a year in federal funds to spend on each household on public assistance—an increase from the \$4,282 spent per welfare family in 1994.

Experts said Thursday that beyond holding down an increase in the state's funds-per-family, California's stubbornly high welfare rolls have another effect: Because more than one in five aid recipients in the nation lives in the Golden State, California's inability to pare its welfare rolls more dramatically holds down the national average.

"California," said one Republican congressional aide, "is the 800-pound gorilla on welfare reform."

ns Victory—but No Refund—in IRS Battle

\$7,000 mistakenly paid by
pts president to seek a
/erpayments.

However, this little-noticed tax change, contained in the president's budget, will apply only to overpayments beginning next year—too late for the overpaying taxpayer's daughter.

"There's no question the law needs to be changed. That's why I got into this," said Marian Brockamp, the retired teacher, who now lives in Prescott, Ariz.

Encino tax attorney Robert F. Klueger, who has appealed Brockamp's case at no charge all the way to the Supreme Court, said he was disappointed that the change will not help his client.

"She has succeeded in changing the law, which is good. But it doesn't seem fair that she is shut out from benefiting from it," Klueger said.

Not optimistic about winning in the high court, the attorney said he may ask a member of Congress to

introduce a special bill to obtain a refund for Brockamp.

Her case, U.S. vs. Brockamp, 95-1225, shines a harsh light on how strict enforcement of the rules, rather than a sense of fairness, reigns in the area of tax law.

"The IRS interprets the law quite strictly when it is to their advantage to do so," said San Francisco tax attorney Frederick Daily.

In an interview, Brockamp described her father as a brilliant mathematician who devised actuarial tables for insurance companies and models to predict bond income. Upon his retirement, he moved to the Los Angeles area to live with his daughter. After a while, she noticed he could not be trusted to handle his financial affairs.

"He would write a check for \$4,000 for a \$400 bill," she said.

Unbeknownst to her, however, he continued to write some checks, including the \$7,000 payment to the IRS in April 1984.

She found the canceled checks after his death.

"When I contacted them [the IRS], they admitted he didn't owe the money. But all I got from them was very arrogant letters. And it made me mad," she said. "If a business kept money they weren't owed, they would be in trouble. I can't do that and you can't do it, but the IRS does it," she said.

She wrote Klueger about her case, and when he was unable to obtain a refund, he filed a lawsuit on her behalf.

And, to the government's surprise, Brockamp won in the U.S. 9th Circuit.

But last year, the Justice Department announced it was appealing this ruling to the Supreme Court. The tax agency should not be forced to reopen thousands of old cases, regardless of the reason, its attorneys said.

On the same day the appeal was filed, Clinton announced he was ordering the Treasury Department to study a change in the law. That move resulted in last week's proposal, which is expected to win easy approval in Congress.

Generally, taxpayers who file a

return but overpay their taxes have three years to seek a refund.

Under the proposal, this time limit will be waived for years when the taxpayer was incapacitated and "unable to manage his or her financial affairs." However, the time limit will not be waived for periods when "the taxpayer's spouse or another person is authorized to act on the taxpayer's behalf."

The change will take effect for "tax years ending after the date of enactment," the department said. The proposal will eventually cost the government an estimated \$50 million per year in lost revenue.

During the high court argument in December, the justices suggested that they were not ready to waive the time limits set in current law.

"I expect to lose 8-1 or 9-0," Klueger said. "The very first question, from [Justice] Ruth [Bader] Ginsburg was: 'What does your case have to recommend itself, other than fairness?'" he recalled. "I knew I was in trouble at that point."

W.L. Caslow

CHANGE IN WELFARE CASELOADS**Total AFDC families and recipients**

	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Nov. 96</u>	<u>percent (93-96)</u>
	(millions)				
Families	4.963	5.053	4.936	4.202	-15%
	<i>761,000 fewer families</i>				
Recipients	14.115	14.276	13.918	11.631	-18%
	<i>2,484,000 fewer recipients</i>				

Total AFDC recipients by State

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Nov. 96</u>	<u>percent (93-96)</u>
Alabama	141,746	135,096	121,837	88,111	-38%
Alaska	34,951	37,505	37,264	35,137	+1%
Arizona	194,119	202,350	195,082	160,398	-17%
Arkansas	73,982	70,563	65,325	55,248	-25%
California	2,415,121	2,621,383	2,692,202	2,513,470	+4%
Colorado	123,308	118,081	110,742	90,557	-27%
Connecticut	160,102	164,265	170,719	156,715	-2%
Delaware	27,652	29,286	26,314	22,486	-19%
District of Columbia	65,860	72,330	72,330	68,594	+4%
Florida	701,842	689,135	657,313	507,263	-28%
Georgia	402,228	396,736	388,913	313,984	-22%
Hawaii	54,511	60,975	65,207	65,993	+21%
Idaho	21,116	23,342	24,050	20,006	-5%
Illinois	685,508	709,969	710,032	606,979	-11%
Indiana	209,882	218,061	197,225	125,637	-40%
Iowa	100,943	110,639	103,108	81,442	-19%
Kansas	87,525	87,433	81,504	58,927	-33%
Kentucky	227,879	208,710	193,722	163,538	-28%
Louisiana	263,338	252,860	258,180	216,339	-18%
Maine	67,836	65,006	60,973	51,612	-24%
Maryland	221,338	219,863	227,887	177,351	-20%
Massachusetts	332,044	311,732	286,175	212,989	-36%
Michigan	686,356	672,760	612,224	478,082	-30%
Minnesota	191,526	189,615	167,949	160,741	-16%
Mississippi	174,093	161,724	146,319	114,609	-34%
Missouri	259,039	262,073	259,595	212,739	-18%
Montana	34,848	35,415	34,313	26,263	-25%
Nebraska	48,055	46,034	42,038	36,392	-24%
Nevada	34,943	37,908	41,846	31,121	-10%
New Hampshire	28,972	30,386	28,671	21,233	-27%
New Jersey	349,902	334,780	321,151	262,500	-25%
New Mexico	94,836	101,676	105,114	96,835	+2%
New York	1,179,522	1,241,639	1,266,350	1,103,068	-6%
North Carolina	331,633	334,451	317,836	255,799	-23%
North Dakota	18,774	16,785	14,920	12,149	-35%
Ohio	720,476	691,099	629,719	527,174	-27%

- 2 -

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Nov. 96</u>	<u>percent (93-96)</u>
Oklahoma	146,454	133,152	127,336	89,915	-39%
Oregon	117,656	116,390	107,610	68,535	-42%
Pennsylvania	604,701	615,581	611,215	488,059	-19%
Rhode Island	61,116	62,737	62,407	54,482	-11%
South Carolina	151,026	143,883	133,567	103,131	-32%
South Dakota	20,254	19,413	17,652	14,215	-30%
Tennessee	320,709	302,608	281,982	214,855	-33%
Texas	785,271	796,348	765,460	626,940	-20%
Utah	53,172	50,657	47,472	36,360	-32%
Vermont	28,961	28,095	27,716	23,239	-20%
Virginia	194,212	194,959	189,493	141,430	-27%
Washington	286,258	292,608	290,940	260,916	-9%
West Virginia	119,916	115,376	107,668	71,240	-40%
Wisconsin	241,098	230,621	214,404	134,407	-44%
Wyoming	18,271	16,740	15,434	10,767	-41%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
February 1997

THE WHITE HOUSE
WASHINGTON

February 17, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
LYN HOGAN

SUBJECT: Welfare Caseload Statistics

We have been working with HHS to compile a series of estimates which you may find useful as you talk about the challenges ahead in welfare reform. The numbers are daunting, but not as impossible as you might think.

I. Caseload Reduction, 1993-96

When you took office, there were 14.1 million people on welfare, including nearly 5 million adults. By October 1996 (the latest figures available), the caseload had dropped to 11.9 million people, fewer than 4.3 million of them adults. The 2.25 million decline (a 16% decrease) is the largest caseload drop in history.

The decline is even more striking when you consider that the caseload did not peak until March 1994, when it reached 14.4 million (5.1 million adults). The caseload dropped 18% between March 1994 and October 1996.

If these trends hold, the total decline from January 1993 to January 1997 should be more than 2.5 million people and between 900,000 and 1 million adults.

No studies have been done to determine how much of the recent caseload decline is due to a good economy and how much to state welfare reforms. Historically, the food stamp caseload has closely tracked the business cycle, but the welfare caseload has not. More than half the welfare caseload has never worked; an economic downturn is not what landed them on welfare. A CRS study of the surge in welfare rolls during the Bush years attributed most of the increase to the rising number of births to never-married mothers, not the 1990 recession.

Over the last four years, the largest drops have come in states with the most aggressive welfare reform experiments -- including 40% declines in Wisconsin and Indiana. The past four years have been a time of unprecedented state experimentation in welfare reform, and all the tough talk from Washington on down has probably had some behavioral impact as well. (The caseload drop was sharpest during the three-month period around the signing of the welfare law, even though no recipient was affected by the new law during that period.)

Still, it would be a mistake to give welfare reform all the credit for caseload changes over the past four years. Virtually every state with a vigorous statewide effort has cut caseload by a quarter or more. But some states did little or nothing to reform their welfare systems, and others experimented in only a few counties.

Four states had caseload increases between January 1993 and October 1996: Alaska, Hawaii, New Mexico, and most important, California, which has 20% of the national caseload. In each state, a mix of factors is at work: None of them has done much statewide on welfare reform, and each has experienced population growth. California was late to join the economic recovery, and leads the nation in child-only cases -- U.S.-citizen children of illegal immigrants who are eligible for welfare because they were born here.

II. Key Facts about the Caseload

Family Size: The average size of a welfare family is 2.8 people. Moving 360,000 adults off welfare will reduce the caseload by 1 million people.

Able-Bodied Recipients: HHS estimates that 80-90% of adult welfare recipients are capable of joining the workforce. The other 10-20% are considered unable to work because of health, age, or severe mental or physical disabilities.

III. Meeting the New Work Requirements

Under the new welfare law, every able-bodied adult is supposed to work within 2 years of receiving benefits. (About 35% of current recipients have been on the rolls less than 2 years.) It is up to the states whether to enforce that requirement. The only enforceable federal requirements are the 5-year lifetime limit on federal benefits and the work participation rates.

Time Limits: Every welfare recipient now has a 5-year lifetime clock, which begins ticking when a state's new plan is certified complete, and stops every time the recipient goes off welfare. States can exempt 20% of the caseload from the 5-year limit, and use state dollars to exempt others if they choose. Most recipients will take longer than 5 years to reach the 5-year limit, because all but the permanent underclass (about a quarter of recipients) cycle on and off the caseload. Until we have a national time clock -- which was envisioned in our 1994 bill, but not

included in the final law -- some recipients also may be able to circumvent the lifetime limit by moving from state to state.

Work Participation Rates: Under the new welfare law, states must have 25% of their adult caseload in work activities in 1997, 30% in 1998, 35% in 1999, 40% in 2000, 45% in 2001, and 50% in 2002 and beyond. But states get credit for people they move off welfare altogether in the meantime. If a state's caseload has dropped since FY1995, the state's work participation rate is reduced accordingly. Effective work rates for this year and beyond have already been reduced 8% nationwide by recent declines in the caseload. (Many states have lowered their caseloads and their effective work rates by twice that much. A few haven't lowered their caseloads at all.)

The following projections were calculated by HHS but are considered preliminary and are under review. About a quarter of the adult caseload is exempt for a variety of reasons, primarily the exemption for parents with children under one. By these estimates, states will be required to put 1 million adults into work activities by the year 2000, and 1.1 million by the year 2002. That number will be lower if caseload declines are greater than projected. (The current caseload is already slightly smaller than the FY2000 projection.)

	FY 95	FY 96	FY 2000 (projected)	FY 2002 (projected)
Average monthly caseload	4.9 million	4.5 million	4.3 million	4.0 million
Non-exempt adult caseload		3.3 million	3.2 million	2.9 million
Work participation rate			40%	50%
Caseload reduction from '95		6.7%	8%	12%
Effective work participation rate (minus caseload reduction)			32%	38%
Total number of adults required to work (Effective work rate multiplied by non-exempt caseload)			1 million	1.1 million

Only a portion of the 1 million would be in subsidized work programs in the private or public sector. States can count vocational education as "work" toward a fifth of its participation requirement. Several states may raise their earnings disregards so that they can count more of the working poor toward their participation rates.

We will ask HHS to run these numbers on a state-by-state basis as well. By these estimates, New York State, with more than 9% of the national caseload, will have to place around 100,000 in work by the year 2000.

IV. Hiring Power in the U.S.

There are 826,000 U.S. businesses with more than 20 employees.

There are 135,119 congregations with more than 200 members, and 205,583 congregations with more than 100 members.

There are 1.1 million nonprofit organizations (not including congregations).

We will run these numbers on a state-by-state basis as well.

V. Miscellaneous Statistics

State Plans: So far, 42 states have submitted their new state plans to HHS under the new law. Of the 42, HHS has certified 35 complete (including New York).

Work Supplementation: As of August 22, 1996, when you signed the welfare law, 11 states had received waivers to modify work supplementation rules. Oregon and Missouri pioneered this concept. Most of those waivers sought to combine AFDC and food stamp benefits to subsidize jobs.

Out-of-Wedlock Births: The birth rate for unmarried women dropped 4% in 1995, the first decline in 19 years. The proportion of all births to unmarried mothers declined slightly to 32.0% in 1995, from 32.6% in 1994. Three years ago, Senator Moynihan predicted that the ratio would rise to 40% or even 50% over the next decade.

Teen Pregnancy: The teen birth rate has declined four years in a row by a total of 8% between 1991 and 1995. Half a million teenagers 15-19 give birth every year. Moynihan wrote an op-ed last month criticizing us for taking credit for reducing teen pregnancy when the illegitimacy ratio for teenagers actually rose (from 70% in 1992 to 72% in 1995). But the teen birth rate fell faster than the teen illegitimacy ratio went up, and the overall illegitimacy ratio has stopped rising.

Child Support: Child support collections increased 50%, from \$8 billion in 1992 to \$12 billion in 1996.

Paternity Establishment: Paternity establishments have increased under the Clinton

Administration from 554,637 in 1993 to 903,000 in 1995.

Poverty: The number of people in poverty dropped by 2.9 million between 1993 and 1995, after four straight years of increases.

VI. Other Questions

Childless Adults: Most states do not provide welfare benefits for single, childless adults. This population will be hit hard by the 3-month time limit on food stamps. Our budget would restore their eligibility (unless they turn down a work slot), provide states with funds for 380,000 new work slots, and make childless adults eligible for our expanded Work Opportunities Tax Credit, which gives employers a 50% credit on the first \$10,000 in annual wages.

Organizing CEOs: Eli Segal has drafted a strategic plan for a non-profit organization to recruit businesses to hire people off welfare. He will send us a copy after his board approves it next week. Eli will probably serve as president of the organization, with most of the CEOs you met as a governing board.

Organizing Non-Profits and Religious Organizations: We have spoken with Maria Echaveste about the need for a full-time staffer in Public Liaison to organize religious institutions, non-profits, and businesses to move people from welfare to work.

Facts as he currently understands them. We need to check them

- In four years 2.25 million people have moved off of welfare
- That is an 18% reduction in the welfare roles
- Four times as many are left on welfare e.g. 9 million people on welfare
- There are 2.3 members/welfare family, we therefore moved 1 million people into jobs and there were 1.3 million more beneficiaries
- **This happened in the greatest economy / even with maximum effort to move people off welfare**
- We now need 4.5 million jobs for those on welfare
- You need to subtract those that are unable to work because of mental or physical handicaps and that takes you to 4 million jobs needed
- There is an escape hatch for states which he thinks is 15% which means you need 3.4 million jobs
- In the past four years we created 11.5 million jobs a record and we had a 50% increase in child support (a record), we had 50% of the states with waivers e.g. the conditions for moving people from welfare to work were very good.
- **therefore we are going to have a heck of a time moving 3.4 million people in 2 years off welfare when we only moved 1.1 million in the last four from welfare to work.**

(This analysis could be altered by the cycling of people on welfare)

Other questions:

- How long before you can get back on welfare after you go off?
- State by state populations/welfare populations
- Can we use money on single men? How are we addressing the single men problem?
- do we think that the Missouri plan work on a national level.
- who is running the national business person's group (handling off line with Bruce memo from Eli)
- How do we incorporate religious, non-profit institutions, businesses? How many are there by state?
- What is the WH mechanism for organizing these groups on the state level? (As per our discussion, we need a Marilyn Yeager in public liaison.

CHILDREN'S HEALTH INITIATIVE

- Not sure kids proposal best.
- Problems with Tenn Care now worked out -- Higher health insurance subsidy.
- Can we do a national Tenn Care -- What is next?
- How are we going to have more people with health care when the President leaves his office? A million more children?
- what are the facts on uninsured children?
- cigarette tax issue (not to mentioned in a group)

PHOTOCOPY
PRESERVATION

Memo on
Then meeting for discussion → ↑ kids coverage.

Welfare meeting

*Explain Eli, Public Care
Time Limits
Attaching by
States*

WR-Caseloads



FAX COVER SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 200 INDEPENDENCE AVE., SW
 WASHINGTON, D.C. 20201

OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION,
 HUMAN SERVICES

PHONE: (202) 690-6311

FAX: (202) 690-8425

DATE: 2/18/97

TO: Bruce Reed

faxed ✓

FAX: 456-~~5557~~ 2878

FROM: Mary Bourdette / Patricia Savage

SUBJECT: Materials distributed at Rep. Shaw's
 Press conference on declining caseloads

PAGES (including cover): 6

TABLE 1
CALCULATION OF ESTIMATED CASELOAD DECLINES IN FISCAL YEARS 1997 AND 1998
FEBRUARY 1997

State	Caseload (thousands)		Percent Change, 1995-1996	Projected Caseload at End of:	
	September 1995	September 1996		1997	1998
Alabama	43.7	40.6	-7.12	37.7	36.4
Alaska	11.8	12.3	4.49	12.9	13.1
Arizona	66.6	61.8	-7.23	57.3	55.3
Arkansas	23.3	22.1	-5.15	21.0	20.4
California	908.2	870.2	-4.19	833.7	816.3
Colorado	36.5	33.6	-8.02	30.9	29.7
Connecticut	60.3	57.0	-5.52	53.9	52.4
Delaware	10.3	10.5	2.22	10.7	10.9
District of Columbia	26.1	25.1	-3.91	24.1	23.6
Florida	220.5	200.3	-9.16	181.9	173.6
Georgia	136.8	120.5	-11.92	106.1	99.8
Hawaii	22.0	21.9	-0.49	21.8	21.7
Idaho	9.1	8.5	-6.13	8.0	7.7
Illinois	229.2	217.3	-5.20	206.0	200.7
Indiana	56.4	49.5	-12.29	43.4	40.7
Iowa	34.8	31.0	-10.95	27.6	26.1
Kansas	27.2	23.4	-13.85	20.2	18.8
Kentucky	73.0	69.8	-4.40	66.7	65.3
Louisiana	75.4	66.5	-11.84	58.6	55.2
Maine	20.9	19.7	-5.67	18.6	18.1
Maryland	79.4	57.1	-28.08	41.1	35.3
Massachusetts	94.1	81.3	-13.57	70.3	65.5
Michigan	188.0	167.2	-11.07	148.7	140.5
Minnesota	60.0	57.2	-4.69	54.5	53.2
Mississippi	51.6	44.8	-13.11	38.9	36.4
Missouri	86.6	79.0	-8.79	72.1	68.9
Montana	11.0	9.5	-13.86	8.2	7.6
Nebraska	14.6	14.0	-3.95	13.4	13.2
Nevada	15.8	13.1	-17.19	10.8	9.9
New Hampshire	10.1	8.9	-11.53	7.9	7.4
New Jersey	116.2	106.5	-8.34	97.6	93.5
New Mexico	34.1	33.0	-3.21	31.9	31.4
New York	445.2	412.7	-7.30	382.6	368.6
North Carolina	118.5	107.5	-9.26	97.5	93.0
North Dakota	5.0	4.7	-5.20	4.5	4.3
Ohio	217.8	202.0	-7.25	187.3	180.6
Oklahoma	42.7	35.2	-17.49	29.0	26.5
Oregon	36.9	28.5	-22.67	22.0	19.5
Pennsylvania	197.8	179.9	-9.05	163.6	156.2

State	Caseload (thousands)		Percent Change, 1995- 1996	Projected Caseload at End of:	
	September 1995	September 1996		1997	1998
Rhode Island	21.7	20.4	-5.89	19.2	18.6
South Carolina	46.7	42.6	-8.68	38.9	37.2
South Dakota	6.1	5.7	-6.03	5.4	5.2
Tennessee	102.6	90.5	-11.81	79.8	75.1
Texas	269.3	238.3	-11.51	210.9	198.7
Utah	15.7	14.0	-10.72	12.5	11.8
Vermont	9.5	8.7	-7.94	8.0	7.7
Virginia	68.3	60.3	-11.65	53.3	50.2
Washington	98.6	96.8	-1.78	95.1	94.2
West Virginia	37.5	37.5	-0.05	37.5	37.5
Wisconsin	69.7	49.9	-28.40	35.7	30.7
Wyoming	4.8	4.3	-10.42	3.9	3.7

Note. Projected decline based on the assumptions that the caseload declines at its FY1996 rate in FY1997 and half the FY1996 rate in 1998. Example: If state A has a caseload decline of 4 percent in FY1996, the rates used in this analysis for FY1997 and FY1998 would be 4 percent and 2 percent respectively.

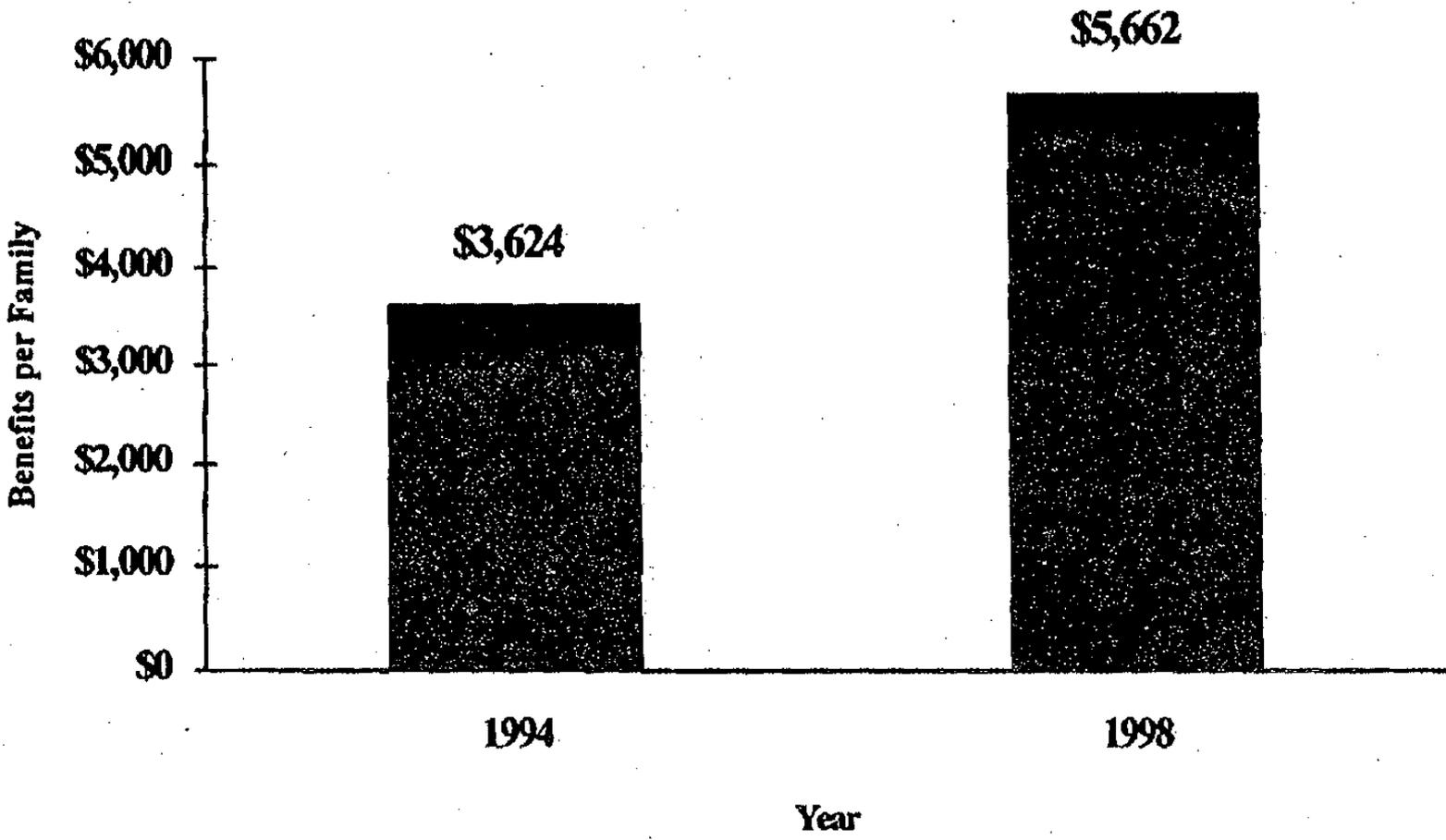
TABLE 2
SUMMARY TABLE OF BENEFITS AND AVERAGE PER FAMILY, BY STATE, 1994 AND 1998
FEBRUARY 1997

State	Cash Welfare, Child Care, And Job Preparation Benefits (in thousands)		Average Benefits per Family*		
	FY1994	FY1998	FY1994	FY1998	Percent Increase
Alabama	\$126,968	\$145,922	\$2,522	\$4,012	37.14
Alaska	68,348	73,221	5,357	5,572	3.86
Arizona	252,729	280,253	3,511	5,071	30.77
Arkansas	69,750	82,847	2,681	4,057	33.91
California	3,892,246	4,059,038	4,282	4,973	13.89
Colorado	148,322	172,105	3,564	5,802	38.57
Connecticut	257,392	302,354	4,348	5,774	24.70
Delaware	31,382	41,770	2,738	3,849	28.85
District of Columbia	106,531	100,539	3,929	4,251	7.59
Florida	616,313	709,223	2,494	4,085	38.94
Georgia	399,138	431,193	2,822	4,320	34.68
Hawaii	96,393	111,683	4,721	5,137	8.11
Idaho	39,143	44,778	4,512	5,789	22.07
Illinois	616,196	719,638	2,564	3,586	28.51
Indiana	259,628	268,656	3,518	6,593	46.64
Iowa	139,722	158,045	3,532	6,056	41.67
Kansas	123,794	128,885	4,112	6,869	40.13
Kentucky	204,051	227,226	2,556	3,482	26.59
Louisiana	189,012	223,023	2,175	4,043	46.22
Maine	78,090	88,600	3,405	4,907	30.61
Maryland	257,595	281,787	3,215	7,983	59.72
Massachusetts	520,916	535,702	4,660	8,179	43.02
Michigan	836,548	867,258	3,735	6,175	39.50
Minnesota	306,053	319,278	4,860	5,997	18.97
Mississippi	102,729	121,217	1,809	3,332	45.71
Missouri	249,616	275,882	2,710	4,005	32.33
Montana	47,734	55,750	4,009	7,319	45.23
Nebraska	64,305	80,071	4,036	6,074	33.56
Nevada	38,717	56,163	2,756	5,664	51.34
New Hampshire	44,179	49,528	3,850	6,675	42.32
New Jersey	439,283	478,118	3,588	5,111	29.79
New Mexico	135,699	153,506	4,035	4,885	17.40
New York	2,796,355	2,659,718	6,146	7,215	14.81
North Carolina	373,134	429,670	2,844	4,619	38.44
North Dakota	29,399	33,148	5,002	7,639	34.51
Ohio	800,540	867,059	3,199	4,802	33.38
Oklahoma	177,415	198,113	3,777	7,475	49.47
Oregon	193,218	206,860	4,586	10,586	56.68

State	Cash Welfare, Child Care, And Job Preparation Benefits (in thousands)		Average Benefits per Family*		
	FY1994	FY1998	FY1994	FY1998	Percent Increase
Pennsylvania	678,438	841,794	3,228	5,388	40.09
Rhode Island	95,944	107,173	4,235	5,751	26.36
South Carolina	117,746	139,487	2,268	3,748	39.50
South Dakota	26,641	29,189	3,847	5,619	31.55
Tennessee	225,547	270,366	2,036	3,600	43.44
Texas	571,290	715,405	2,013	3,600	44.07
Utah	90,292	108,820	5,072	9,199	44.86
Vermont	49,931	54,938	5,052	7,143	29.27
Virginia	185,895	218,724	2,485	4,360	43.01
Washington	442,610	479,656	4,299	5,090	15.54
West Virginia	125,451	131,552	3,080	3,511	12.26
Wisconsin	342,881	373,414	4,442	12,182	63.54
Wyoming	26,543	27,815	4,624	7,618	39.29
Total	\$18,107,792	\$19,536,160	\$3,624	\$5,662	34.17

* In addition to these amounts, families are entitled to food stamps and Medicaid benefits worth approximately \$8,000 annually.

Average Benefits Available per Family to Provide Cash Welfare, Child Care, and Job Preparation*, 1994 and 1998



*In addition to these amounts, families are entitled to food stamps and Medicaid benefits worth about \$8,000.

Rahm / O'Neil

THE PRESIDENT HAS SEEN

2-18-97

ARTICLE

Fyl - BZ

File: Welfare Caseloads

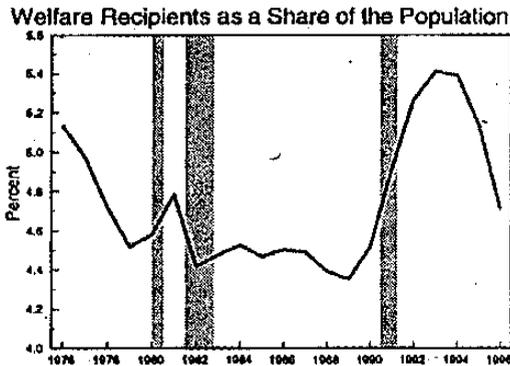
Declining Welfare Rolls: You Were Right, Mr. President

The welfare rolls have gone down 2.1 million in the last 4 years...I think a fair reading of it would say about half of this decline came from an improved economy and about half of it came from intensified efforts to move people from welfare to work. Now I don't have any scientific division. But anyway, there is some division there. President's Press Conference, January 28, 1997

cc: Shalala
Elena K.
Lyn H.

Indeed, a preliminary statistical analysis suggests that about half the reduction in the welfare rolls over the past 4 years can be attributed to economic growth and about 30 percent to waivers that allowed states to impose time limits on receipt of benefits. Other unidentified factors account for the remainder of the reduction.

Trends in welfare receiptency. The fraction of the population receiving AFDC fell from 5.4 percent in 1993 to 4.7 percent in 1996 (see chart). One important factor affecting caseloads is the business cycle. As the economy expands, more of the poor are able to find jobs and move off welfare. For example, a growing economy helped lower the welfare caseload between 1975 and 1979, and again, to a lesser extent, between 1984 and 1989. A faltering economy in 1980 and 1981 contributed to rising welfare rolls.



lower the welfare caseload between 1975 and 1979, and again, to a lesser extent, between 1984 and 1989. A faltering economy in 1980 and 1981 contributed to rising welfare rolls.

Two anomalous episodes in the chart illustrate that the economy is not the only driving factor. First, policy changes enacted in the Omnibus Budget Reconciliation Act of 1981 substantially reduced welfare eligibility. As a result, welfare receiptency declined sharply in 1982 despite a worsening economy. Second, the dramatic rise and subsequent sharp decline in welfare receiptency between 1989 and 1996 stands out as much sharper than previous cyclical movements.

Waivers and other factors affecting caseloads. Recent waivers granted to states to experiment with innovative programs may have contributed to the dramatic caseload reduction over the past few years. The types of waivers that have been granted include time limits on welfare receipt, "family caps" that restrict benefit increases brought about by having an additional child while on welfare, and expanded job search and training requirements.

Other changes in a state's environment are important contributors to its welfare caseload. Some states offer benefits that are far more generous than others, generating a larger pool of eligible people. Attitudes towards welfare recipients may

affect caseloads because stigma is a potential cause of low take-up rates among those who are eligible. The share of households headed by women is also relevant because AFDC is a categorical program mainly targeted at single mothers with children.

The statistical analysis. State-level data from 1976 through 1996 were used to determine the separate contributions of economic growth and approved state waivers in explaining the decline in welfare receipt over the past 3 years. The methodology controls for differences across states that are roughly constant over time (such as whether the state is relatively generous or relatively parsimonious), differences over time that are constant across states (such as changing national attitudes toward welfare), and gradual trends over time that may differ among states (such as the rate of growth of female-headed households). This approach allows the effects of economic growth and waivers on the welfare caseload to be separated from all of these other factors that potentially affect caseloads.

Both economic growth, as measured by changes in the unemployment rate, and waivers that impose time limits on receipt of benefits have a significant effect on changes in the welfare caseload. The analysis shows that economic growth reduced the welfare caseload by 48 percent. Time limit waivers reduced the caseload by 29 percent. Assorted other factors accounted for the remaining 23 percent of the decline.

Conclusion. Economic growth does account for about half of the reduction in the welfare caseload. Time limits are also important. What the data cannot tell us, however, is how many people who left welfare due to time limits actually found jobs.

WR-Caseload

CHANGE IN WELFARE CASELOADS**Total AFDC families and recipients**

	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Oct. 96</u>	<u>percent (93-96)</u>
	(millions)				
Families	4.963	5.053	4.936	4.280	-14%
	683,000 fewer families				
Recipients	14.115	14.276	13.918	11.864	-16%
	2,251,000 fewer recipients				

Total AFDC recipients by State

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Oct. 96</u>	<u>percent (93-96)</u>
Alabama	141,746	135,096	121,837	99,000	-30%
Alaska	34,951	37,505	37,264	35,200	+1%
Arizona	194,119	202,350	195,082	163,400	-16%
Arkansas	73,982	70,563	65,325	56,000	-24%
California	2,415,121	2,621,383	2,692,202	2,522,300	+4%
Colorado	123,308	118,081	110,742	92,000	-25%
Connecticut	160,102	164,265	170,719	157,700	-2%
Delaware	27,652	29,286	26,314	23,300	-16%
District of Columbia	65,860	72,330	72,330	68,900	+5%
Florida	701,842	689,135	657,313	521,700	-26%
Georgia	402,228	396,736	388,913	320,000	-20%
Hawaii	54,511	60,975	65,207	66,100	+21%
Idaho	21,116	23,342	24,050	20,600	-2%
Illinois	685,508	709,969	710,032	618,700	-10%
Indiana	209,882	218,061	197,225	130,200	-38%
Iowa	100,943	110,639	103,108	82,000	-19%
Kansas	87,525	87,433	81,504	60,600	-31%
Kentucky	227,879	208,710	193,722	166,800	-27%
Louisiana	263,338	252,860	258,180	223,500	-15%
Maine	67,836	65,006	60,973	52,400	-23%
Maryland	221,338	219,863	227,887	185,100	-16%
Massachusetts	332,044	311,732	286,175	216,300	-35%
Michigan	686,356	672,760	612,224	489,500	-29%
Minnesota	191,526	189,615	167,949	164,400	-14%
Mississippi	174,093	161,724	146,319	116,200	-33%
Missouri	259,039	262,073	259,595	216,600	-16%
Montana	34,848	35,415	34,313	26,600	-24%
Nebraska	48,055	46,034	42,038	37,200	-23%
Nevada	34,943	37,908	41,846	31,900	-9%
New Hampshire	28,972	30,386	28,671	21,700	-25%
New Jersey	349,902	334,780	321,151	267,400	-24%
New Mexico	94,836	101,676	105,114	96,800	+2%
New York	1,179,522	1,241,639	1,266,350	1,124,400	-5%
North Carolina	331,633	334,451	317,836	263,300	-21%
North Dakota	18,774	16,785	14,920	12,500	-33%
Ohio	720,476	691,099	629,719	539,200	-25%

- 2 -

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Oct. 96</u>	<u>percent (93-96)</u>
Oklahoma	146,454	133,152	127,336	92,900	-37%
Oregon	117,656	116,390	107,610	71,300	-39%
Pennsylvania	604,701	615,581	611,215	503,100	-17%
Rhode Island	61,116	62,737	62,407	55,400	-9%
South Carolina	151,026	143,883	133,567	112,700	-25%
South Dakota	20,254	19,413	17,652	14,600	-28%
Tennessee	320,709	302,608	281,982	227,400	-29%
Texas	785,271	796,348	765,460	637,700	-19%
Utah	53,172	50,657	47,472	37,500	-29%
Vermont	28,961	28,095	27,716	23,700	-18%
Virginia	194,212	194,959	189,493	145,500	-25%
Washington	286,258	292,608	290,940	263,600	-8%
West Virginia	119,916	115,376	107,668	78,400	-35%
Wisconsin	241,098	230,621	214,404	138,100	-43%
Wyoming	18,271	16,740	15,434	10,800	-41%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
January 1997

DRAFT

February 13, 1997

MEMORANDUM TO THE PRESIDENT

FROM BRUCE REED

SUBJECT **Current Welfare Reform Statistics**

The Welfare Rolls

As of October 1996, there were 4.3 million adults receiving cash assistance, or a total of 11.9 million people when including children.

The welfare rolls are down from a 1994 peak of 14.3 million people, a drop of almost 18 percent between March 1994 and October 1996.

There are 2,251,000 *fewer* people on welfare than the day you took your first oath of office. That is the biggest drop in history in the welfare rolls.

The welfare rolls have dropped close to 40 percent in both Wisconsin and Indiana -- two states where we granted landmark waivers to launch welfare reform experiments. *The decline may accelerate as California, with 20% of the nation's caseload, begins to catch up with the national trend.*

Before you signed the welfare reform bill, you worked with states to test reform strategies, giving 43 states waivers from federal rules to experiment with reforms that required work, imposed time limits, and demanded personal responsibility.

Family Size

current
The average welfare family size is 2.8 people.

Able-Bodied Recipients

HHS estimates that 80 percent to 90 percent of adult welfare recipients are capable of joining the workforce. The other 10 percent to 20 percent are considered unable to work because of health, age, or severe mental or physical disabilities.

Hiring Power In the U.S.

There are 826,000 U.S. businesses with more than 20 employees.

There are 1.1 million nonprofit organizations (not including congregations).

There are 135,119 congregations with more than 200 members and 205,583 congregations with more than 100 members.

- 1) State by state
- 2) Nonprofits, businesses, churches - by state
- 3) Eli
- 4) Pkc liaison for nonprofits, process for state effort

Bruce -
 Here's the draft. Let me know if I've covered everything - what changes you want, etc. ~~to the president~~
 Lyn

Work Supplementation

As of August 22, 1996 when you signed the welfare law, 11 states had received waivers to modify work supplementation rules. Most of those waivers sought to combine AFDC and food stamp benefits to subsidize jobs. Oregon pioneered this concept. HHS is currently gathering more recent statistics on work supplementation since you signed the law.

In Oregon, both private and public sector jobs are subsidized for up to six months per placement. The job is subsidized at minimum wage and gives employers cashed out AFDC and food stamps benefits to cover the minimum wage. In addition, the employee is entitled to the Earned Income Tax Credit (EITC). If the minimum wage and the EITC do not bring the recipient up to the poverty line, the employer must make up the difference by paying up to \$1 dollar an hour over the reimbursed minimum wage or may put \$1 for every hour worked into an Individual Development Account (IDA). Once a recipient is hired in a full-time, unsubsidized job, she becomes eligible for her wage, the EITC, *and* food stamps coupons previously used to subsidized her wage. Such a system creates an escalating financial incentive that always makes full-time, unsubsidized work the most attractive option.

TANF Plans Submitted and Certified

So far, 42 states have submitted ^{welfare} TANF plans to HHS. Of the 42, 35 have been certified complete. ^{under the new law}

Child Support

Over the past four years, the Administration has toughened child support enforcement, increasing collections by 50 percent. That's about \$4 billion, *from \$8 b to \$12 b*

Teen Pregnancy

The teen **birth** rate declined four years in a row by a total of eight percent between 1991-1995.

Paternity Establishment

Paternity establishments have increased under the Clinton Administration from 554,637 in 1993 to 800,000 in 1996.

The Poverty Rate

The poverty rate is down, decreasing by 2.9 million people between 1993 and 1995 after four straight years of increases.

Note ↑

Welfare Law Work Projections

Note: The welfare law allows states to reduce minimum work participation rates otherwise required by the law for a fiscal year by the percentage the caseload falls during the immediately preceding year if it is less than the caseload during FY 1995. This is called the caseload reduction factor. Because of this provision, the *current* caseload drops affect work requirements. The following projections were calculated by HHS but are considered preliminary and are under review. ~~The projections take into account several assumptions not mentioned.~~

	FY 95	FY 96	FY 2000	FY 2002
Average monthly caseload	4,874	4,547	4,300	4,000
Caseload reduction from '95		6.7%	8%	12%
Cases with adults subject to work (81%)		3.7 mil	3.5 mil	3.2 mil
Non exempt adult caseload (No Child Under Age 1--90%)		3.3	3.2	2.9
Participation rate			40%	50%
Effective participation rate			32%	38%
Number of cases ^{adults} required to participate in work program with caseload reduction factor			1 mil	1.1 mil
Number of recipients required to participate in work program with caseload reduction factor			2.8 mil	3.1 mil
Number of cases ^{adults} required to participate in work program without caseload reduction factor			1.3 mil	1.5 mil
Number of recipients required to participate in work program without caseload reduction factor			3.6 mil	4.2 mil

LEVEL 1 - 1 OF 1 STORY

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SECTION: Section 1; Page 1; Column 6; National Desk

LENGTH: 1633 words

HEADLINE: A SHARP DECREASE IN WELFARE CASES IS GATHERING SPEED

BYLINE: By JASON DePARLE

DATELINE: WASHINGTON, Feb. 1

BODY:

The steep decline in welfare caseloads that began nearly three years ago has accelerated in recent months, offering states a larger-than-expected financial windfall and a head start in carrying out the nation's newly restrictive welfare law.

The unprecedented exodus from the rolls follows a period of similarly explosive growth. After reaching a record high in March 1994, caseloads have dropped nearly 18 percent nationwide, and they have dropped in every state but Hawaii. The declines have reached some of the nation's largest cities, where concentrations of poor and single-parent families have made the rolls hard to reduce.

In the last year alone, the number of people on welfare has dropped 19 percent in Milwaukee, 17 percent in Houston, 11 percent in Detroit and 9 percent in New York City.

Much of the decline seems driven by the country's economic expansion, which has kept the unemployment rate below 6 percent for 28 consecutive months. But some of it also seems to stem from the efforts of many states in the last few years to place welfare recipients in jobs.

As the nation's governors gather here this weekend for their winter meeting, many are crediting their programs for the reduction in welfare caseloads. But researchers are uncertain which force is dominant: good times or tough laws.

It is also unclear whether those leaving the welfare system are mostly moving out of poverty, as many governors have said, or whether some are simply losing benefits and slipping deeper into need.

Whatever the cause, the smaller welfare rolls will make it much easier to implement the law passed last summer, which ends six decades of Federal control and offers states broad new latitude in running welfare programs. Because of the way the law is written, most states will find themselves with both a financial windfall and a bookkeeping advantage in meeting new requirements for putting recipients to work.

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"We couldn't have better timing for starting welfare reform," said Donna E. Shalala, the Secretary of Health and Human Services.

Welfare rolls have fallen more than 40 percent in three states that have been among the most energetic in urging recipients to work: Oregon, Wisconsin and Indiana. And caseloads have declined by 25 percent or more in 16 other states.

What is more, the rate of decline has accelerated in recent months. From August to October, national caseloads dropped 2.7 percent, as the number of welfare recipients declined by 338,000. By contrast, caseloads dropped 1.5 percent during the same period in 1995, when the rolls fell by 201,000 people.

And there appears to be considerable prospect for continued reductions, since the rolls have only recently peaked in California, where more than a fifth of the nation's recipients live.

"These are phenomenal caseload changes," said Wendell E. Primus, who resigned last year as a senior official at the Department of Health and Human Services to protest the new law.

Almost all of the decline occurred before the law passed last summer. The law imposes a five-year limit on most families' benefits and it is only now being implemented. But Representative E. Clay Shaw Jr., a Florida Republican who helped write the law, speculated that the prominence of last year's debate had already prompted people to look for work.

"People are seeing that welfare reform is a certainty and that they had darn well better take responsibility for pulling their lives together," he said. "So many people have been throwing rocks at us and saying we're going to starve kids. And quite simply, they're wrong. The law's working. And it's working right from the beginning."

But Mr. Primus cautioned that some states might be dropping people from the rolls whether they had found work or not. "Offices can do things to make life more difficult for people seeking aid," he said, like penalizing them for missed appointments even when they lack child care or transportation.

There are 11.9 million Americans receiving benefits under the main Federal welfare program, Aid to Families with Dependent Children, which is being converted to a successor program, Temporary Assistance for Needy Families. The vast majority are single women and their children. There are about 2.5 million fewer people, or about 818,000 fewer families, in the program than at the 1994 peak.

Speaking at a news conference this week, President Clinton said the decline was "the biggest in history" and gave equal credit to economic forces and the experimental state welfare programs approved under his Administration. "I think a fair reading of it would say about half of this decline came from an improved economy, and about half of it came from intensified efforts to move people from welfare to work," he said.

But in a subsequent interview, Ms. Shalala described the President's figures as only "a hunch" and declined to offer a hunch of her own. "I'm too well trained a social scientist to make a guess," said Ms. Shalala, who holds a doctorate in public administration. "It may be a different split in different



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states."

Disentangling the forces that move families on and off the welfare rolls is a harder task than it may seem. Local economies play a role, but so do eligibility rules, population growth and changes in family size and structure. Vaguer influences may also be involved, like shifting public attitudes.

And because the sudden welfare decline follows an equally startling rise, some of the current reduction may simply represent a natural readjustment. After remaining stable for more than a decade, caseloads shot up 25 percent during and after the 1990 recession, when 3.5 million people joined the rolls.

The decline of 2.5 million people is much larger than the reductions that followed previous recessions. But there are still about a million more Americans on welfare than there were in the late 1980's.

The last four years have brought an unparalleled effort to put recipients to work. Forty-three states won Federal approval to run experimental programs, some covering just a few counties and some extensive and bold. Even analysts who typically stress economics say they think the new policies are partly responsible for the declining caseloads.

But the lessons are not immediately clear.

Indiana and Wisconsin have experienced large reductions under governors who frequently inveighed against the welfare system. And in 1995, both states began experimenting with a two-year limit.

Oregon, by contrast, has experienced its sharp reductions through an intensive case management system that imposes no time limits as long as recipients are moving toward employability. And welfare has not become a prominent political issue there. "We aren't trying to find fault with people who aren't working," said Gov. John Kitzhaber, a Democrat and a physician who is best known for his advocacy of universal health care. "We're asking ourselves why aren't they working."

There are also intriguing contrasts between the Indiana and Wisconsin approaches. Wisconsin has achieved much of its reduction by diverting people from welfare at the time they apply. Indiana has not cut the numbers coming on the rolls but has increased the number who leave each month.

The unemployment rate is 5.2 percent in Oregon, 3.3 percent in Indiana and 2.7 percent in Wisconsin.

West Virginia has also had a sharp reduction in welfare, with its rolls shrinking 33 percent since March 1994, but it is also one of the few states that did not change welfare policy. Officials have attributed the reduction to a growth of jobs as the state's unemployment rate fell from 8.9 percent in 1994 to 6.8 percent at the end of last year.

Perhaps the place where welfare policies have had the clearest effect on caseloads is Wisconsin. The state expanded three new programs to Milwaukee last March and saw its caseloads suddenly plummet.

One is a "diversion program," which requires applicants to perform 60 hours



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of job search activities as a condition of getting aid. Another is a "pay for performance" plan, which reduces grants proportionately for every hour of work or training that recipients miss. A third is a program of bureaucratic incentives that measures caseload reductions and threatens lagging offices with a loss of money.

The welfare rolls in Milwaukee have fallen by 7,235 families in the 10 months since the program began, compared with a decline of 2,753 families in the previous year. Since March, new applications have declined by about 30 percent.

Some critics of the Milwaukee program fear that some families may be worse off. But Jason Turner, a Wisconsin official who helped design the program, said the screening discourages those with other options from coming onto welfare. "A lot of people said: 'The heck with it. I'll find my own job,'" he said.

The reduction in caseloads is far greater than what the Clinton Administration projected, said Mr. Primus, who oversaw those forecasts last year. As a result, the states will reap an unexpectedly large windfall.

Under the old Federal law, states received additional money for each additional person on welfare. Under the new structure, states get a fixed amount, no matter how many people are in the program. A recent Congressional analysis estimated that states will receive \$1.3 billion more this year than they would have under the old rules.

The reduction in caseloads also makes it easier for states to meet the new law's work requirements. The law requires states to enroll 25 percent of recipients in work programs this year, but they can reduce that percentage by cutting their caseloads. As a result, the average state will have to enroll just 18 percent of its recipients in work programs, according to an analysis by the Ways and Means Committee.

GRAPHIC: Graph: "UPDATE: A Closer Look at the Decline"

After peaking nationally in March 1994, the number of recipients of Aid to Families with Dependent Children, the main Federal welfare program, has dropped by nearly 18 percent. Graph tracks figures, from 1960 through 1996, 1960-95. Graph also shows percentage change, state-by-state, from March 1994 to October 1996. (Source: Health and Human Services Administration for Children and Families) (pg. 18)

LANGUAGE: ENGLISH

LOAD-DATE: February 2, 1997



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Peak March 1994 should be:

14,398,000 people (14.4)

5.098 families

I checked with HHS - the rolls
never went higher than 14.39

WR-Caseload

CHANGES IN WELFARE CASELOADS**Total AFDC families and recipients (in millions)**

	<u>Jan. 93</u>	<u>July 96</u>	<u>Total Decline</u>	<u>Percent Change</u>
Families	4.963	4.400	563,000 fewer families	-11%
Recipients	14.115	12.242	1,863,000 fewer recipients	-13%

Total AFDC recipients by State

<u>State</u>	<u>Jan. 93</u>	<u>July 96</u>	<u>Percent change</u>
Alabama	141,746	100,770	-29%
Alaska	34,951	36,210	+3%
Arizona	194,119	168,170	-13%
Arkansas	73,982	56,990	-23%
California	2,415,121	2,557,000	+6%
Colorado	123,308	94,680	-23%
Connecticut	160,102	158,440	-1%
Delaware	27,652	23,080	-16%
District of Columbia	65,860	69,750	+6%
Florida	701,842	533,640	-24%
Georgia	402,228	331,820	-17%
Hawaii	54,511	66,250	+22%
Idaho	21,116	22,000	+4%
Illinois	685,508	638,330	-7%
Indiana	209,882	140,510	-33%
Iowa	100,943	84,330	-16%
Kansas	87,525	64,340	-26%
Kentucky	227,879	170,590	-25%
Louisiana	263,338	229,230	-13%
Maine	67,836	56,030	-17%
Maryland	221,338	198,580	-10%
Massachusetts	332,044	221,110	-33%
Michigan	686,356	506,480	-26%
Minnesota	191,526	169,830	-11%
Mississippi	174,093	121,520	-30%
Missouri	259,039	224,150	-13%
Montana	34,848	29,290	-16%
Nebraska	48,055	38,480	-20%
Nevada	34,943	35,350	+1%
New Hampshire	28,972	23,800	-18%
New Jersey	349,902	279,000	-20%
New Mexico	94,836	99,370	+5%
New York	1,179,522	1,154,360	-2%
North Carolina	331,633	266,480	-20%
North Dakota	18,774	13,060	-30%
Ohio	720,476	544,850	-23%

- 2 -

<u>State</u>	<u>Jan. 93</u>	<u>July 96</u>	<u>Percent change</u>
Oklahoma	146,454	96,400	-34%
Oregon	117,656	81,160	-31%
Pennsylvania	604,701	536,190	-11%
Rhode Island	61,116	56,730	-7%
South Carolina	151,026	115,150	-24%
South Dakota	20,254	15,870	-22%
Tennessee	320,709	243,900	-24%
Texas	785,271	651,710	-17%
Utah	53,172	39,400	-26%
Vermont	28,961	24,570	-15%
Virginia	194,212	154,370	-20%
Washington	286,258	270,910	-5%
West Virginia	119,916	90,530	-25%
Wisconsin	241,098	151,440	-37%
Wyoming	18,271	12,190	-33%

AFDC Maintenance Payments (Federal Share)

FY94	\$12.5 billion	
FY96	\$11.0 billion*	
Savings	\$1.5 billion	-12%

*preliminary estimate

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
October 1996

**President William J. Clinton
Saturday Radio Address
December 7, 1996
(Taped December 6, 1996)**

Good morning. This week I had the honor of lighting both the national Christmas tree and the national menorah. Both are symbols of a time of year filled with joy, hope and expectation.

It's a time, too, when we reflect on what we have done, and what is left to do. It's a time to honor our obligations to family and community.

Last summer, we made a new beginning on one of our nation's most vexing problems: the welfare system. When I signed the historic welfare reform law, we set out to honor a moral obligation for our nation, to help many people in our national community to help themselves. This law dramatically changes the nation's welfare system so that it will no longer fail our people, no longer trap so many families in a cycle of dependency, but rather help people move from welfare to work.

And it would do so by requiring work of every able-bodied person, by protecting children, and by promoting parental responsibility.

We have worked a long time to reform welfare. Change was demanded by all the American people, including those on welfare, because they bore the brunt of the system's failure. For decades, welfare has been a trap, consigning generation after generation to a cycle of dependency. The children of welfare are more likely to drop out of school, to run afoul of the law, to become teen parents, to raise their own children on welfare. That's a sad legacy that we have the power to prevent. And now, we can.

I came into office determined to end welfare as we knew it. Even before I signed the reform bill, we were working with states to test reform strategies, giving 43 states waivers to experiment with reforms that required work, imposed time limits, and demanded personal responsibility.

We were determined to move millions from welfare to work. And our strategy has worked. I am pleased to announce that there are now 2.1 million fewer people on welfare than on the day I took office. That's the biggest drop in the welfare rolls in history.

Some of these reductions have been even more striking. The welfare rolls have dropped 41 percent in Wisconsin and 38 percent in Indiana -- two states where we granted landmark waivers to launch welfare reform experiments.

We're making responsibility a way of life -- not an option.

That means ^{Millions} ~~millions~~ people are on their way to building lives with the structure, purpose, meaning and dignity that work provides. That is something to celebrate.

This is just the beginning of welfare reform. We had a choice: to go on as we had, with a system that was failing, or to start anew, to create a system that could give everyone who is able-bodied a chance to work, a chance to be independent. We chose the right way. But passing a new welfare law is just the first step. It now falls to all of us to make sure that it works.

The next step is for the states to implement the new law by tailoring a reform plan that works for their communities. As required by the new law, we have already certified welfare reform plans for 14 states, and today I am pleased to announce that we are certifying welfare reform for 4 more states -- California, Nebraska, South Dakota and Alabama. Their plans will require and reward work, impose time limits, and demand personal responsibility. And across the board, as we give welfare funds back to the states, we will protect the guarantees of health care, nutrition and child care -- all of which are critical to helping families to move from welfare to work.

Increase child care payments

Welfare as we knew it was a bad deal -- for everyone. We are creating a better deal. We say to every American: Work pays. We raised the minimum wage and expanded the earned income tax credit, to allow the working poor to keep more of what they earn. We want to create a million new jobs for people now on welfare by giving businesses incentives to hire people off welfare and enlisting the private sector in a national effort to bring all Americans into the economic mainstream. Together, we can make the permanent underclass a thing of the past.

We all have a moral obligation to fulfill through welfare reform. We need to work together, in our communities, in our businesses, in our churches and schools, to help families reclaim the right to know they can take care of themselves and their own obligations.

Our future doesn't have to be one with so many of our people living trapped lives. The door has been opened to a new era of freedom and independence. Now it is up to us to help all our people through that door, one family at a time.

Thanks for listening.

December 6, 1996

NOTE TO BRUCE REED AND RAHM EMANUEL

Enclosed are the materials for the radio address, including the state-by-state table and the US map on the change in welfare caseloads from 1993 to 1996.

For your information, I have also enclosed a short description of the four states' TANF plans (Alabama, California, Nebraska, and South Dakota) which will be announced in the address.

This package - with 40 additional copies of the map and table - was also sent to Kathy McKiernan in the press office.

Please let me know if you have any questions or concerns.

Thank you very much.


Toby Graff

CHANGE IN WELFARE CASELOADS

Total AFDC families and recipients

	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u>	<u>Sept.96</u>	<u>percent (93-96)</u>
	(millions)				
Families	4.963	5.053	4.936	4.326	-13%
	<i>637,000 fewer families</i>				
Recipients	14.115	14.276	13.918	12.003	-15%
	<i>2,112,000 fewer recipients</i>				

Total AFDC recipients by State

<u>state</u>	<u>Jan.93</u>	<u>Jan.94</u>	<u>Jan.95</u>	<u>Sept.96</u>	<u>percent (93-96)</u>
Alabama	141,746	135,096	121,837	99,650	-30%
Alaska	34,951	37,505	37,264	36,030	+3%
Arizona	194,119	202,350	195,082	167,410	-14%
Arkansas	73,982	70,563	65,325	56,350	-24%
California	2,415,121	2,621,383	2,692,202	2,548,350	+6%
Colorado	123,308	118,081	110,742	92,980	-25%
Connecticut	160,102	164,265	170,719	158,270	-1%
Delaware	27,652	29,286	26,314	23,740	-14%
District of Columbia	65,860	72,330	72,330	68,860	+5%
Florida	701,842	689,135	657,313	531,490	-24%
Georgia	402,228	396,736	388,913	322,370	-20%
Hawaii	54,511	60,975	65,207	66,510	+22%
Idaho	21,116	23,342	24,050	21,160	NC
Illinois	685,508	709,969	710,032	633,690	-8%
Indiana	209,882	218,061	197,225	131,030	-38%
Iowa	100,943	110,639	103,108	84,340	-16%
Kansas	87,525	87,433	81,504	62,470	-29%
Kentucky	227,879	208,710	193,722	168,400	-26%
Louisiana	263,338	252,860	258,180	225,500	-14%
Maine	67,836	65,006	60,973	53,100	-22%
Maryland	221,338	219,863	227,887	189,330	-14%
Massachusetts	332,044	311,732	286,175	218,530	-34%
Michigan	686,356	672,760	612,224	494,080	-28%
Minnesota	191,526	189,615	167,949	167,090	-13%
Mississippi	174,093	161,724	146,319	119,700	-31%
Missouri	259,039	262,073	259,595	219,650	-15%
Montana	34,848	35,415	34,313	27,270	-22%
Nebraska	48,055	46,034	42,038	38,020	-21%
Nevada	34,943	37,908	41,846	32,550	-7%
New Hampshire	28,972	30,386	28,671	22,340	-23%
New Jersey	349,902	334,780	321,151	269,600	-23%
New Mexico	94,836	101,676	105,114	98,430	+4%
New York	1,179,522	1,241,639	1,266,350	1,127,890	-4%
North Carolina	331,633	334,451	317,836	262,170	-21%
North Dakota	18,774	16,785	14,920	12,730	-32%
Ohio	720,476	691,099	629,719	541,060	-25%

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Sept. 96</u>	<u>percent (93-96)</u>
Oklahoma	146,454	133,152	127,336	94,050	-36%
Oregon	117,656	116,390	107,610	74,320	-37%
Pennsylvania	604,701	615,581	611,215	508,760	-16%
Rhode Island	61,116	62,737	62,407	55,750	-9%
South Carolina	151,026	143,883	133,567	110,120	-27%
South Dakota	20,254	19,413	17,652	15,320	-24%
Tennessee	320,709	302,608	281,982	235,820	-26%
Texas	785,271	796,348	765,460	636,940	-19%
Utah	53,172	50,657	47,472	38,530	-27%
Vermont	28,961	28,095	27,716	23,990	-17%
Virginia	194,212	194,959	189,493	148,350	-24%
Washington	286,258	292,608	290,940	266,590	-7%
West Virginia	119,916	115,376	107,668	84,560	-29%
Wisconsin	241,098	230,621	214,404	142,750	-41%
Wyoming	18,271	16,740	15,434	11,780	-36%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
December 1996

Description of State TANF Plans
- FOR BACKGROUND ONLY -

Alabama: The mission of Alabama's Family Assistance Program is to increase parental responsibility, encourage self-sufficiency, involve communities in the support of families and help maintain and strengthen family life. As defined in the new welfare law, the program sets a lifetime time limit of 5 years of assistance. Recipients will develop career plans and will be placed in work or work preparation activities immediately for up to 40 hours per week. After two years, all individuals will be required to participate in work or work activities. The state will convene a task force to evaluate out-of-wedlock births with a special emphasis on preventing teenage pregnancies. The state will continue a welfare reform demonstration in three counties that tests the cashing out of food stamps.

California: The state will continue to operate its existing Aid to Families with Dependent Children program, its welfare-to-work program called Greater Avenues for Independence (GAIN) and California Work Pays Demonstration Project, and others of the state's welfare reform demonstrations. Under GAIN, recipients who have received aid for 22 of the last 24 months are required to participate in at least 100 hours per month in work preparation or work experience activities. In addition, recipients are required to participate in activities that will lead to employment. Under the state's welfare reform demonstrations, teen parents are required to stay in school and no additional benefits are provided to the family for children conceived on welfare.

Nebraska: The state will continue to operate two ongoing assistance programs, including a demonstration program approved by the Clinton Administration, called Employment First. Employment First provides incentives to move people to work, no additional benefits for children conceived on welfare and expanded transitional medical and child care assistance. The other program is called Regular Assistance. For both programs, the new welfare law's time limits will apply of 5 years lifetime limit and 24 months followed by work or work activities. The state will provide the same benefits to newcomers to the state as current residents and will continue benefits to eligible legal immigrants. Nebraska will also develop a major effort to prevent and reduce out-of-wedlock and teen births. The state intends to expand the Employment First program to the entire state.

South Dakota: The state's goal for its Temporary Assistance for Needy Families plan is to have parents less dependent on government benefits, have children cared for by their parents or relatives, prevent and reduce out-of-wedlock births and promote strong two-parent families. Parents and state workers will complete a self-sufficiency plan within 90 days of the family's application. The state will encourage families to not go on welfare through diversion payments. In addition to the new law's work provisions, South Dakota is also continuing the work activities included in its welfare reform demonstration, such as vocational training and education and college education. Assistance will be limited to a five year lifetime limit. The state will continue benefits for eligible legal immigrants.

President William J. Clinton
Saturday Radio Address
December 7, 1996
(Taped December 6, 1996)

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It's a time, too, when we reflect on what we have done, and what is left to do. It's a time to honor our obligations to family and community.

Three months ago, we set out to do all we can to honor a moral obligation for our nation, to help many people in our national community to help themselves. I signed a historic welfare reform law, and it dramatically changed the nation's welfare system so that it would no longer fail our people, no longer trap so many families in a cycle of dependency, but rather help people move from welfare to work.

And it would do so by requiring work of every able-bodied person, by protecting children, and by promoting parental responsibility.

Reforming welfare is something we have been working on for a long time. This change was demanded by all the American people, including those on welfare. Now, welfare has helped many people, but many others on welfare found it difficult to find their way off welfare and could not live up to their best potential. Studies tell us that children born to a life on welfare are more likely to drop out of school, to run afoul of the law, to become teen parents, to raise their own children on welfare. That's not the legacy we want for another generation.

The challenge was to first remove partisan politics from the debate, and to find solutions that would work. We began doing that even before I signed the reform bill. We began by allowing states to test their own welfare reform strategies, giving 43 states the flexibility to require work, impose time limits, and demand personal responsibility. And we saw results -- good results. I am happy to announce today that welfare reform has passed the 2 million mark: New figures from the Department of Health and Human Services show that 2.1 million people have left the welfare rolls since I took office -- a reduction of 15 percent. That means 2.1 million people on their way to building lives with the structure, purpose, meaning and dignity that work provides. That is something to celebrate.

This is just the beginning of welfare reform. We had a choice: to go on as we had, with a system that was failing, or to start anew, to create a system that could give everyone who is able-bodied a chance to work, a chance to be independent. We chose the right way. But passing a new welfare law is just the first step. It now falls to all of us to make sure that it works.

The first step is for the states to implement the new law by tailoring a reform plan that works for their communities. We have already certified welfare reform plans for 14 states, and today I am pleased to announce that we have certified welfare reform for 4 more states -- California, Nebraska, South Dakota, [Alabama, and Utah?]. [NEED PLAN DETAILS FROM BRUCE REED.] Their plans will require and reward work, impose time limits, and demand personal responsibility. And across the board, as we give welfare funds back to the states, we protect the guarantees of health care, nutrition and child care -- all of which are critical to helping families to move from welfare to work.

Welfare as we knew it was a bad deal for everyone. We are creating a better deal. We say to every worker: work pays. We have raised the minimum wage and by expanding the earned income tax credit, we allow the working poor to keep more of what they earn. We want to create a million new jobs for people now on welfare by giving businesses incentives to hire people off welfare and enlisting the private sector in a national effort to bring all Americans into the economic mainstream. We need to make sure that opportunity is there for the people who need it.

We all have a moral obligation to fulfill through welfare reform. We need to work together, in our communities, in our businesses, in our churches and schools, to help families reclaim the right to know they can take care of themselves and their own obligations.

Our future doesn't have to be one with so many of our people living trapped lives. The door has been opened to a new era of freedom and independence. Now it is up to us to help all our people through it, one family at a time.

Thanks for listening.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 12/6 ACTION/CONCURRENCE/COMMENT DUE BY: 12/6 3:00 pm

SUBJECT: Radio Address - typed this afternoon

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QUINN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIEBERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RAINES	<input type="checkbox"/>	<input type="checkbox"/>	REED _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input type="checkbox"/>	<input type="checkbox"/>
CURRY	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STIGLITZ	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	STRETT	<input type="checkbox"/>	<input type="checkbox"/>
HALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TYSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HAWLEY	<input type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input type="checkbox"/>	<input type="checkbox"/>	WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>
HILLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Bowles</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KLAIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>Radd</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LAKE	<input type="checkbox"/>	<input type="checkbox"/>	<u>Sperling</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>Waldman</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS: Comments to Evelyn Civiel

RESPONSE:

BRUCE REED
Rm. 216

Draft, 12/6/96, 10:30 a.m.

President William J. Clinton
Saturday Radio Address
December 7, 1996
(Taped December 6, 1996)

'96 DEC 6 AM 11:06

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And it would do so by requiring work of every able-bodied person, by protecting children, and by promoting parental responsibility.

Reforming welfare is something we have been working on for a long time. This change was demanded by all the American people, including those on welfare. Now, welfare has helped many people, but many others on welfare found it difficult to find their way off welfare and could not live up to their best potential. Studies tell us that children born to a life on welfare are more likely to drop out of school, to run afoul of the law, to become teen parents, to raise their own children on welfare. That's not the legacy we want for another generation.

The challenge was to first remove partisan politics from the debate, and to find solutions that would work. We began doing that even before I signed the reform bill. We began by allowing states to test their own welfare reform strategies, giving 43 states the flexibility to require work, impose time limits, and demand personal responsibility. And we saw results -- good results. I am happy to announce today that welfare reform has passed the 2 million mark: New figures from the Department of Health and Human Services show that 2.1 million people have left the welfare rolls since I took office -- a reduction of 15 percent. That means 2.1 million people on their way to building lives with the structure, purpose, meaning and dignity that work provides. That is something to celebrate.

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it works.

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Our future doesn't have to be one with so many of our people living trapped lives. The door has been opened to a new era of freedom and independence. Now it is up to us to help all our people through that door, one family at a time.

Thanks for listening.

DRAFT

Suggested Talking Points for Radio Address

Three months ago I signed a historic welfare reform law which dramatically changed the nation's welfare system into one that requires work, protects children, and promotes parental responsibility.

We have already made great progress in moving people from welfare to work and reforming the welfare system. We have already given 43 states the flexibility to test innovative welfare reform strategies.

Now we are making more progress in making work and responsibility the law of the land.

We have given states increased child care funds to help them provide the affordable, accessible, and quality child care which is critical to help families move from welfare to work. Under the provisions we fought for, funding in the new child care block grant for states will increase this year from \$1.3 billion to \$1.9 billion. That means states will receive \$600 more for child care this year than they would have received without the new law.

We have been cracking down on people who owe child support and cross state lines. As a result, in 1996, the federal-state partnership collected a record \$11.8 billion from non-custodial parents, an increase of \$4 billion or nearly 50 percent since 1992. Paternity establishments increased by over 50 percent from 1992 to 1996. The tough new measures in the welfare law: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; tough new penalties; the "Families First" policy; and access and visitation programs, are projected to increase child support collections by an additional \$24 billion ~~and reduce federal welfare costs by \$4 billion~~ over the next ten years.

Our emphasis on welfare reform and policies to strengthen the economy are paying off. Today I am pleased to announce that welfare rolls have decreased by 2.1 million - ~~more than~~ 15 ~~percent~~ percent - since I took office. We are fulfilling the central goal of welfare reform: moving people from welfare to work and enabling more people to support themselves and their families.

We have been moving forward in implementing the new welfare law by approving 14 states' welfare reform plans. Today I am pleased to announce that we are giving the green light to ~~four~~ ^{four} more states to carry out their state welfare reform plans under the new law. I am delighted that California, Nebraska, South Dakota, ^{and} Alabama, ~~and~~ ~~and~~ are all embarking on innovative plans to reward and require work and demand responsibility. [more specifics on state plans to follow]

We will continue our efforts to move more people from welfare into jobs while protecting children and families, by continuing our work with states, implementing my Welfare-to-Work Jobs Challenge, and improving the foster care and adoption systems.

*~~could be closer to 15% now - will check~~

CHANGE IN WELFARE CASELOADS

Total AFDC families and recipients

	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Sept. 96</u>	<u>percent (93-96)</u>
	(millions)				
Families	4.963	5.053	4.936	4.326	-13%
	637,000 fewer families				
Recipients	14.115	14.276	13.918	12.003	-15%
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Total AFDC recipients by State.

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Alaska	34,951	37,503	37,264	36,030	+3%
Arizona	194,119	202,350	195,082	167,410	-14%
Arkansas	73,982	70,563	65,325	56,350	-24%
California	2,415,121	2,621,383	2,692,202	2,548,350	+6%
Colorado	123,308	118,081	110,742	92,980	-25%
Connecticut	160,102	164,263	170,719	158,270	-1%
Delaware	27,652	29,286	26,314	23,740	-14%
District of Columbia	65,860	72,330	72,330	68,860	+5%
Florida	701,842	689,135	657,313	531,490	-24%
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Hawaii	54,511	60,975	65,207	66,510	+22%
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- 2 -

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Oregon	117,656	116,390	107,610	74,320	-37%
Pennsylvania	604,701	615,581	611,215	508,760	-16%
Rhode Island	61,116	62,737	62,407	55,750	-9%
South Carolina	151,026	143,883	133,567	110,120	-27%
South Dakota	20,254	19,413	17,652	15,320	-24%
Tennessee	320,709	302,608	281,982	235,820	-26%
Texas	785,271	796,348	765,460	636,940	-19%
Utah	53,172	50,657	47,472	38,530	-27%
Vermont	28,961	28,095	27,716	23,990	-17%
Virginia	194,212	194,959	189,493	148,350	-24%
Washington	286,258	292,608	290,940	266,590	-7%
West Virginia	119,916	115,376	107,668	84,560	-29%
Wisconsin	241,098	230,621	214,404	142,750	-41%
Wyoming	18,271	16,740	15,434	11,780	-36%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
December 1996

Date: 12/06/96 Time: 15:49

Clinton Asks Businesses to Hire People Off Welfare

WASHINGTON (AP) President Clinton urged American business anew on Friday to help welfare reform succeed by providing jobs.

Commenting as he presented the annual Malcolm Baldrige Quality Awards to four companies, Clinton said:

"We passed a law that said that able-bodied people can only draw welfare so long. But what are they going to do? Go into the streets or go into the work force?"

"Every state ought to be willing to give those welfare checks to employers as job subsidies to move more people from welfare to work, and every vital company ought to be willing to examine themselves to see what they could do because we don't have the money," the president said.

Clinton said he opposes large-scale government jobs programs helping only people on welfare.

"We want to change a whole culture here and move people into the mainstream of American life. And that can best be done by a company hiring one or two or three and another company doing the same thing until we have a ripple effect all across America."

Clinton presented the Baldrige awards named for the late commerce secretary to the chief executive officers of these companies:

ADAC Laboratories, of Milpitas, Calif., a Silicon Valley producer of high-tech health care products.

Dana Commercial Credit Corp., Toledo, Ohio, a provider of leasing and financing services to business customers.

Custom Research Inc. of Minneapolis, which conducts marketing research for businesses.

Trident Precision Manufacturing Inc., Webster, N.Y., a manufacturer of precision sheet metal components and electro-mechanical assemblies.

The Baldrige awards, the highest U.S. government honor to a private company, recognize performance and business excellence.

APNP-12-06-96 1553EST

- 2 -

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DRAFT

Suggested Talking Points for Radio Address

Three months ago I signed a historic welfare reform law which dramatically changed the nation's welfare system into one that requires work, protects children, and promotes parental responsibility.

We have already made great progress in moving people from welfare to work and reforming the welfare system. We have already given 43 states the flexibility to test innovative welfare reform strategies.

Now we are making more progress in making work and responsibility the law of the land.

We have given states increased child care funds to help them provide the affordable, accessible, and quality child care which is critical to help families move from welfare to work. Under the provisions we fought for, funding in the new child care block grant for states will increase this year from \$1.3 billion to \$1.9 billion. That means states will receive \$600 more for child care this year than they would have received without the new law.

We have been cracking down on people who owe child support and cross state lines. As a result, in 1996, the federal-state partnership collected a record \$11.8 billion from non-custodial parents, an increase of \$4 billion or nearly 50 percent since 1992. Paternity establishments increased by over 50 percent from 1992 to 1996. The tough new measures in the welfare law: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; tough new penalties; the "Families First" policy; and access and visitation programs, are projected to increase child support collections by an additional \$24 billion and ~~reduce federal welfare costs by \$4 billion~~ over the next ten years.

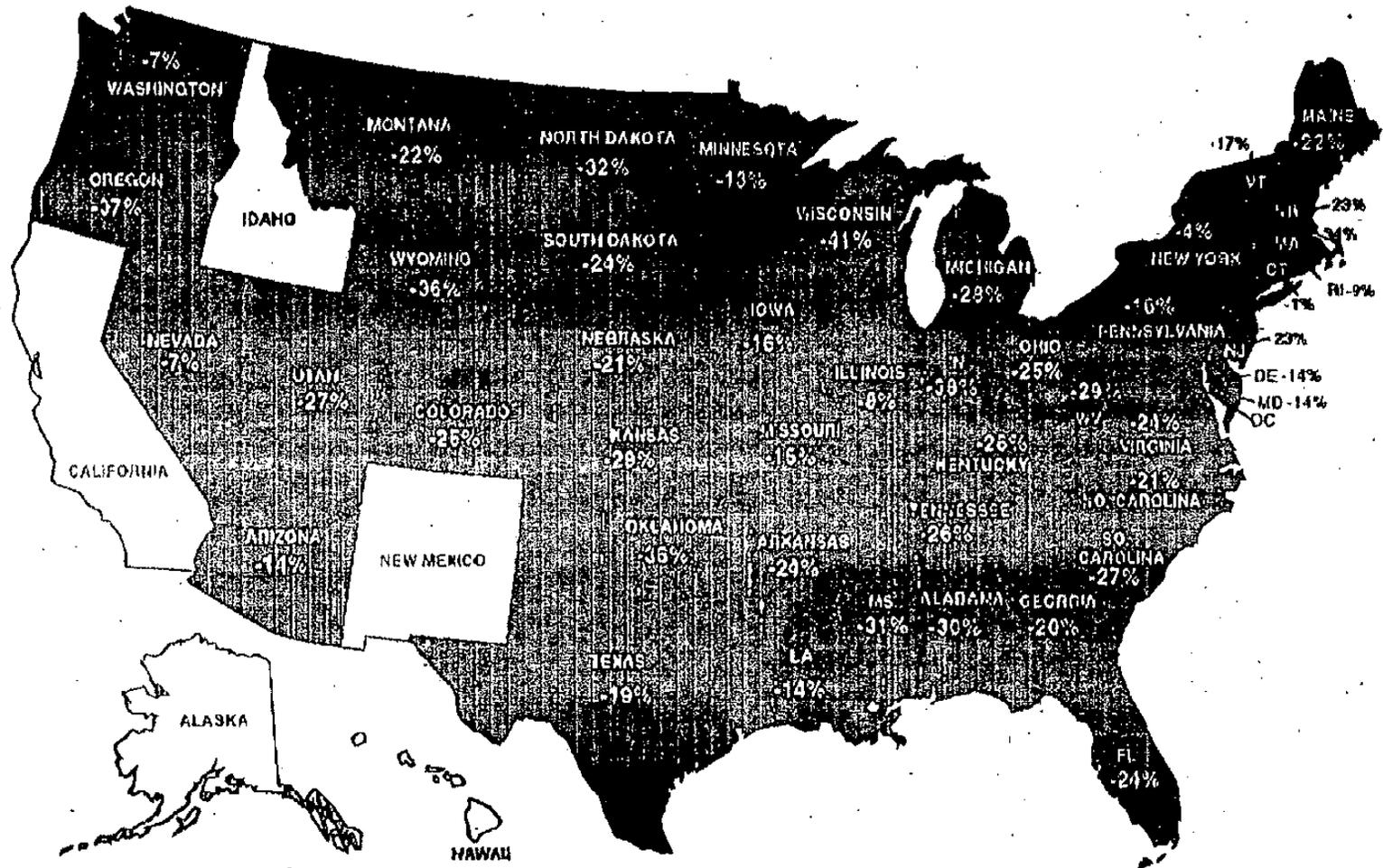
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We have been moving forward in implementing the new welfare law by approving 14 states' welfare reform plans. Today I am pleased to announce that we are giving the green light to [five] more states to carry out their state welfare reform plans under the new law. I am delighted that California, Nebraska, South Dakota, Alabama, and Utah(?) are all embarking on innovative plans to reward and require work and demand responsibility. [more specifics on state plans to follow]

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MORE THAN 2 MILLION FEWER WELFARE RECIPIENTS NATIONWIDE SINCE 1993



Footnote: Nationwide, the number of AFDC recipients has fallen from 14.1 million to 12.0 million since January 1993, an average of 13 percent. Cases have increased slightly in 8 states: Alaska, 3 percent; California, 6 percent; District of Columbia, 5 percent; Hawaii, 22 percent; Idaho, less than 1 percent; and, New Mexico 4 percent.

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WR - Caseloads

Decline in welfare rolls slows

Law threatens to take benefits from remaining recipients who are still wrestling with hardships

By Richard Wolf
USA TODAY

MILWAUKEE — For the first time since a 1996 federal law demanded that welfare recipients go to work, a dramatic, nationwide decline in the number of people on welfare is beginning to level off.

The leveling is most evident in states such as Wisconsin that reformed their welfare systems before the federal law took effect and have cut their caseloads the most. The trend is expected to spread to all states as they catch up with Wisconsin and the other early-reform states.

Those still on welfare in the early-reform states tend to be poorly educated and have few skills. They often have problems ranging from mental illness to substance abuse.

As a result, many of these people may lose welfare benefits, unless the states step in with money of their own. The federal law says adults cannot receive federal welfare aid for more than 24 consecutive months or for more than five years in their lifetimes.

States are allowed to make exceptions for 20% of welfare recipients who have extreme hardships. But with 8.4 million adults and children still on welfare, caseworkers are calling for more services, such as literacy and substance abuse programs, to help people get jobs.

"We're dealing with folks who are almost paralyzed or immobilized," says Cheryl Cobb, director of services for United Migrant Opportunity Services, a welfare agency here. Since President Clinton signed the historic welfare reform law Aug. 22, 1996, most of the news has been good. Welfare rolls had declined by 2.2 million in the previous 30 months. In the next 22 months, they dropped 3.8 million more.

But the downward trend is slowing. The drop from March to June this year was 20% less than the same period in 1997. Seven states — Colorado, Hawaii, Indiana, Louisiana, Minnesota, Montana and New Mexico — and the District of Columbia saw the number of welfare clients increase.

In a flourishing economy, more than half of the adults who left welfare got jobs, state officials say. And as caseloads dropped, and federal funding didn't, states had more to spend on other services, such as child care and job training.

But the complex needs of remaining welfare recipients may stretch state welfare budgets. Those hooked on



Photos by Dan Cramer for USA TODAY

Welfare woes: Maria Flores is taking computer training. Wisconsin's efforts to place former welfare recipients has not been easy.

drugs or alcohol need treatment. Those with mental health problems need counseling. Those fleeing domestic violence need protection.

Roadblocks to success

As states dig deeper into welfare's underclass, they are finding that clients often have multiple roadblocks to success. Such clients are what William Waldman, executive director of the American Public Human Services Association, calls "socially unemployable."

The statistics reflect that the easy work is over. Wisconsin's caseload dropped only 1% in June, compared with 7% in May and 10% in April. Oregon's caseload rose in March after 35 consecutive months of decline. Indiana's monthly drop now is measured in hundreds of cases, not thousands.

Meanwhile, the new time limits are taking hold.

The federal law's aim is to have no one on welfare for more than 24 consecutive months. States came under this requirement between October 1996 and July 1997, so the 24-month limit will soon be reached by many people. But this part of the law is also being widely ignored.

The word "work" is not defined, so states are treating almost any forward progress by welfare recipients as acceptable. The number of hours a person must work each week isn't prescribed, so part-time work qualifies. And if the two years are exceeded, states do not risk losing any federal aid.

States are more concerned about the percentage of welfare clients that must be working each year — 30% this year, rising to 50% by 2002. Because those remaining on welfare are harder to employ — and new recipients always are coming on to the rolls — that will be increasingly difficult.



Hardships: Patricia Guy has faced several challenges.

Then there is the ultimate time limit: Almost no one — except the 20% who qualify for the hardship exemption — can receive federal welfare payments for more than five years in a lifetime. And in some states, the lifetime limit is as short as two years.

Oregon, like Wisconsin a pace-setter in welfare reform, places about 1,400 welfare recipients each month in jobs that average \$7 an hour. But amid signs the caseload decline is leveling, officials see a need for more mental health and domestic violence services. Says James Neely, the state's welfare reform manager, "These are the people that need our help the most."

Faces behind figures

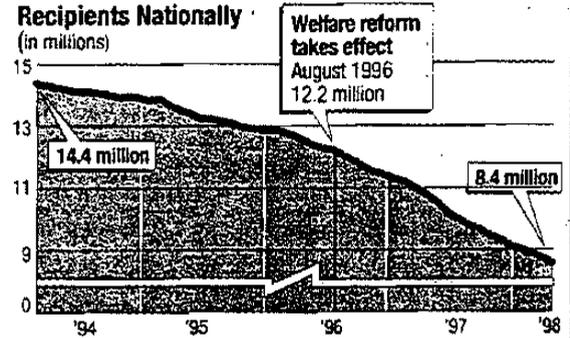
In Wisconsin, success had been measured in thousands. The state began changing its welfare system in 1986, a decade before the federal law was passed. In the 12 years since, 100,000 families on welfare have dwindled to about 11,000.

But now, success is measured one family at a time.

The faces behind the figures belong to women like Maria Flores. In January, she was de-

Welfare caseloads leveling off

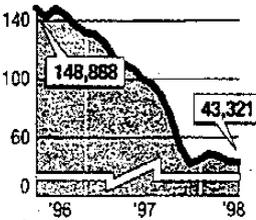
A strong economy and state innovations have shrunk welfare rolls nationwide since March 1994. The decline gained speed after President Clinton signed a Republican welfare reform law in August 1996. But as states dig deeper into their caseloads, welfare rolls are starting to level off.



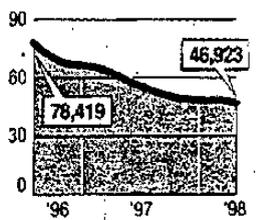
Welfare-reform pace-setters level off

Pace-setting states that began moving welfare recipients into jobs several years before the federal law was passed have seen the most dramatic caseload declines. But the numbers are leveling off as the states reach the toughest cases.

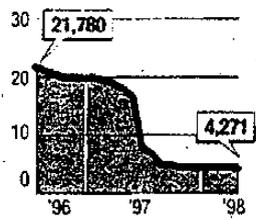
Wisconsin Recipients (in thousands)



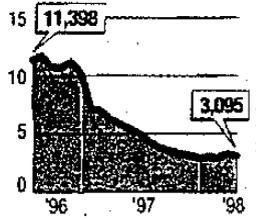
Oregon Recipients (in thousands)



Idaho Recipients (in thousands)



Wyoming Recipients (in thousands)



Source: U.S. Dept. of Health and Human Services

By Grant Jarding, USA TODAY

pressed, learning disabled and diabetic. She had been verbally abused by her alcoholic father, then by her alcoholic boyfriend. She had four children, six years of grade school — and had been on welfare 23 years. "I didn't know whether I wanted to live or die," she says.

Flores has made progress, but she's still not working. She gets \$628 a month in welfare because she's taking computer training vs. \$440 a month before.

Her colleague in computer training, Patricia Guy, faces similar challenges. During her 16 years on welfare, she has cared for two children and two parents. Her mother died in April, fueling her alcoholism and depression.

Maximum, a private firm operating one of Milwaukee's welfare offices, hooked Guy up with alcohol treatment and psychotherapy. Now Guy is working toward a high school equivalency degree, which about 80% of long-term welfare clients lack.

Vanessa Williams faces a bigger problem. Optical nerve damage four years ago left her nearly blind, but she has yet to qualify for federal disability payments. So while she looks for a suitable job, she is using up her limited time on welfare.

But there also are success stories among the hard core. Vanelia Mercer, 37, a single mother of three, is among them. During her 16 years on welfare, Mercer often drank from dawn to dusk. She was depressed and had no self-esteem. She was abusive to live-in boyfriends. She cared for two foster children and a friend's daughter, who recently died of cancer.

With the help of YW Works, a division of the YWCA, Mercer earns \$8.50 an hour as an administrative assistant at a Milwaukee technical college. But her chances remain as precarious as the pots that catch leaks from the ceilings in her three-bedroom duplex.

"You think I'm not scared?" she says. "I'm petrified."

Iraq could rearm in 6 months, warns U.N. inspector who quit

By Barbara Slavin
USA TODAY

Former U.N. weapons inspector Scott Ritter accused the Clinton administration Thursday of undermining its own stated policy of Iraqi disarmament and warned that Iraq could, in six months, reconstitute its chemical and biological weapons and the missiles to deliver them.

In New York, Ritter's former boss, chief U.N. weapons inspector Richard Butler, told the Security Council that Iraq was now refusing to let inspectors examine sites previously allowed. "We are doing no disarmament work," Butler said.

Ritter, who resigned last month from the U.N. commission on Iraqi disarmament, was the sole witness in Washington at a politically charged hearing before the Senate Armed Services and Foreign Affairs committees. He was escorted to the hearing by Sen. Majority Leader Trent Lott, R-Miss., who adjourned the Senate so members of both committees could attend.

Ritter, 37, an ex-Marine, said the United States hampered the work of U.N. inspectors "through interference and manipulation, usually coming from the highest levels of the administration's national security team, including the secretary of

State."

According to Ritter, Secretary of State Madeleine Albright, national security adviser Sandy Berger and others intervened on a half-dozen occasions to block or postpone inspections that could have provoked an angry Iraqi response and potentially led to a military confrontation with the United States.



Agence France-Press
Ritter: Interference was from high levels

Senior U.S. officials say Ritter lacks an overall understanding of U.S. policy and does not appreciate the lack of support for military action or the difficulty the United States has faced in keeping a majority of the Security Council in favor of economic sanctions against Iraq seven years after the Gulf War.

"I envy you your clarity on this issue," Sen. Joseph Biden, D-Del., the ranking Democrat on the Foreign Affairs Committee, told Ritter. "I respectfully suggest that (senior U.S. officials) have responsibility above your pay grade to (decide to) take the nation to war alone."

Biden also criticized the Republicans for inviting Ritter without any officials to rebut his charges. Albright and Defense Secretary William Cohen are scheduled to appear at a separate hearing next week.

But Biden praised Ritter, a veteran inspector in charge of uncovering Iraqi methods of concealing its

weaponry, for bringing about what Biden called "a day of reckoning about what our policy should be."

Sen. John McCain, R-Ariz., underlined the seriousness of the issue, asking Ritter how long it would take Iraq to put back together weapons materials it is believed to have hidden or to build new systems.

Ritter said it would take several years for Iraq to be able to make nuclear devices but that "within six months, Iraq could reconstitute its biological and chemical weapons and long-range ballistic missiles."

After failing to muster international or domestic support for striking Iraq last winter, the United States has focused on maintaining Security Council support for economic sanctions and a food-for-oil program that allows Iraq to sell \$5 billion in oil every six months but requires a U.N. committee, including U.S. representatives, to vet Iraqi purchases.

But critics of U.S. policy, now bolstered by Ritter, say the Clinton administration has essentially caved in to the regime of Saddam Hussein, the Iraqi dictator who remains in power.

"Iraq clearly has been put on the back burner" given all the other crises, foreign and domestic, the administration faces, says David Kay, another former U.N. inspector. "The administration was caught in a box. It has a weak hand and hoped no one would notice. Meanwhile, the initiative has gone over to Baghdad."

WR - Case/boards

Index of 'cultural indicators' sees trends 'decidedly mixed'

Crime, welfare down, but STDs, unwed births increasing

By Cheryl Wetzstein
THE WASHINGTON TIMES

A new index of "cultural indicators" shows many positive changes in the 1990s, such as declines in crime, welfare, abortions and drunk driving.

But other social problems, such as sexually transmitted diseases, cohabitation and teen drug use, have gotten worse, William J. Bennett says in "The Index of Leading Cultural Indicators: American Society at the End of the Twentieth Century."

The high rate of births to unwed mothers is most alarming, writes Mr. Bennett, a leader of Empower America and editor of "The Book of Virtues."

In 1990, 28 percent of births were outside marriage. By 1997, that rate rose to 32.4 percent.

Federal data released last week shows that the unwed birthrate rose again in 1998, to a record high of 32.8 percent.

"The trends, then, are decidedly mixed, giving rise to opposing interpretations," Mr. Bennett says in the new index.

"One camp of observers is quite upbeat, even celebratory," he says. "In another camp, occupied mostly by social conservatives, the mood is one of resignation, even despair."

The 1990s have shown that there are "well-conceived, well-executed reforms" to learn from, says Mr. Bennett.

The last 3 1/2 decades, however, have "fractured" many of the pillars American civilization stands on, and the nation remains "more violent and vulgar, coarse and cynical, rude and remorseless, deviant and depressed, than the one we once inhabited," he says.

America's "capacity for self-renewal is rare and real," he concludes. "We have relied on it in the past . . . We must call on it again."

Mr. Bennett recently helped write a speech for Texas Gov. George W. Bush that rapped some Republicans' handling of social issues — and annoyed some Republican conservatives.

"Too often, on social issues, my party has painted an image of

CULTURE: BETTER OR WORSE?

Highlights from the new index of American cultural indicators:

Areas of improvement this decade

- The total crime rate fell 15.4 percent between 1990 and 1997.
- Welfare rolls are down by 46.5 percent from 1994 to 1998.
- The murder rate is 6.8 for every 100,000 persons, the lowest point since 1967.
- Alcohol-related traffic fatalities (15,936 in 1998) are at their lowest level since the government began keeping such statistics.
- AIDS cases have decreased 55 percent from 103,228 in 1993 to 46,311 in 1998.
- Abortion rates have dropped from 28 per 100 pregnancies in 1990 to 26.1 abortions per 100 pregnancies in 1996.
- Average Scholastic Assessment Test (SAT) scores rose by 16 points between 1990 and 1998.
- Charitable giving has increased by 38 percent between 1990 and 1998.

Areas of social regression

- The United States has extremely high rates of gonorrhea and syphilis, compared with other developed countries, plus an estimated 45 million cases of genital herpes and 20 million cases of human papilloma virus (HPV).
- The number of cohabiting households has risen from 2.8 million households in 1990 to 4.2 million in 1998.
- In 1996, American 12th-graders ranked 19th out of 21 nations in mathematics achievement.
- TV violence involving gunplay rose 334 percent from 1992 to 1995.
- The percent of 12th-graders using any illegal drug rose from 47.9 percent in 1990 to 54.1 percent in 1998.

Source: "The Index of Leading Cultural Indicators: American Society at the End of the Twentieth Century," by William J. Bennett

The Washington Times

America slouching toward Gomorrah," Mr. Bush, the GOP's presidential front-runner, told the Manhattan Institute last week.

"But something unexpected happened on the way to cultural decline. Problems that seemed inevitable proved to be reversible. They gave way to an optimistic, governing conservatism," Mr. Bush said, citing efforts by Republicans in New York and Wisconsin.

Republicans should tackle more "human problems," with the goal of establishing "a limited government, respected for doing a few things and doing them well," said Mr. Bush.

In yesterday's Wall Street Journal, Robert H. Bork, author of the book, "Slouching Toward Gomorrah," said Mr. Bush's speech was the latest attempt to "distance himself from the nasty conservatives."

Optimism has a role to play, wrote Mr. Bork, although he chided Mr. Bennett for "displaying a new-found optimism about the direction of American culture."

But a rosy outlook is "no excuse for overlooking the very real and degenerate state of much of our politics and culture," said Mr. Bork, whose article appeared under the headline, "Slouching toward Bush won't save us from Gomorrah."

Mr. Bennett was traveling yesterday and could not be reached for comment.

Mr. Bennett issued his first index of cultural indicators in 1994 as a comprehensive statistical portrait of behavioral trends from 1960 to the early 1990s.

The new index revisits the same subjects, and adds civic participation, comparisons by decade and comparisons with other countries.

Shepard-killing defendant to claim impairment

Lawyer says trial should take account of 'mental state'

LARAMIE, Wyo. (AP) — The attorney for a man charged with beating college student Matthew Shepard to death said yesterday his client's judgment was clouded by drugs and alcohol.

As jury selection began in the murder trial of Aaron McKinney, attorney Dion Custis said he would not point the finger at Russell Henderson, Mr. McKinney's co-defendant who has pleaded guilty to murder and is serving life in prison.

"We're not going to contest the cause of death or that he died as a result of a beating from Aaron McKinney along with Russell Henderson," Mr. Custis said.

He said he would not contend that Mr. McKinney was insane, but said "his mental state will certainly be a crucial question for you to answer."

"Methamphetamines is a big issue in this case," he said.

Mr. Custis' comments marked the first time he has shown a strategy for defending Mr. McKinney, who is facing the death sentence if convicted of murder.

Mr. Shepard, 21, a University of Wyoming freshman majoring in political science, died a year ago today, five days after he was lured out of a bar, driven to a remote spot on the freezing prairie, lashed to a wooden fence and pistol-whipped into a coma.

Prosecutors say Mr. McKinney, 22, accompanied by Henderson,

The pool of 256 juror candidates is about the average size for a murder case in Laramie.

also 22, instigated the crime to rob the 5-foot-2, 105-pound Mr. Shepard of \$20, but that Mr. Shepard may have been targeted because he was homosexual. Mr. McKinney has repeatedly said he had no idea Mr. Shepard was homosexual and that he does not hate homosexuals.

Henderson pleaded guilty in April to murder and kidnapping charges to spare his life and is serving two consecutive life terms in a Wyoming prison.

Mr. Custis told the prospects he was concerned about the widespread attention stemming from the case. "I don't think anyone here is going to suggest this is a hate crime," he said.

Prosecutor Cal Rerucha warned the juror candidates that they must treat both sides fairly, regardless of their prejudices. "Whether you're Catholic or Muslim, if you are straight or gay, everyone is treated equal," he said.

The killing provoked a national debate over hate crimes and led to

measures across the country adding sexual orientation to anti-discrimination laws. However, hate-crime legislation failed in Wyoming last winter after lawmakers argued that homosexuals and other protected groups would get special treatment.

By the end of the trial's first day, 21 prospective jurors had been dismissed, including a man reporters saw pass a note to Mr. Shepard's mother during the lunch break. The man indicated the note expressed his condolences.

Mr. McKinney's father, William, sat near the back of the room, his eyes cast downward. He was accompanied by three supporters.

Seventeen members of a group called Angel Action, wearing golden halos and costumes made of white bedsheets, stood silently in the street. Spokeswoman Romaine Patterson, 21, of State College, Pa., said the group wanted to send a message of love.

Nearby, six followers of the Rev. Fred Phelps, 69, of Topeka, Kan., an anti-homosexual activist, waved signs bearing anti-gay slogans.

Many residents in Laramie appeared to be taking little notice.

"You know, maybe the town just wants it over," said Ben Rashford, 23, a University of Wyoming graduate student. "Laramie is not that different than any place else. People like to think that but it's not."



Aaron McKinney heads to court in Laramie, Wyo., yesterday, as jury selection got under way in his trial in the death of Matthew Shepard.

Cutting Welfare Rolls but Raising Questions

PHOTOGRAPH BY JASON DEPARLE

MILWAUKEE — The welfare rolls are crashing through the floor here.

Caseloads have shrunk nearly 25 percent in the last year alone, and each month another 1,800 people leave the system. No major city has ever seen such startling declines, though many are now looking here with an envious eye and the hope of imitation.

But as Gov. Tommy G. Thompson of Wisconsin boasts of "our amazing success," the question is what has happened to the throngs of low-income women and children leaving the rolls.

Advocates for the poor, here and across the country, are quick to note that homelessness has been rising, and shelters overflowing.

WELFARE CRUCIBLE

A special report.

since the state's strict new work rules took hold. But those falling into such utter destitution represent only a small percentage of the 10,000 families leaving the rolls.

Many more seem to be working, in jobs they recently landed or secretly held in the past. Others, weary of the system's new hassles, have moved in with friends or family, or left the state.

Critics argue that the new system focuses more on penalizing the poor than on helping them. And state officials acknowledge that foul-ups in the complex new system have caused thousands of families to temporarily lose their benefits, often through no fault of their own.

The data are sketchy at best, and no one knows how many of Milwaukee's welfare poor have moved toward economic betterment, and how many have suffered an erosion in living standards that were already alarmingly low.

Still, the mere absence of obvious calamity is being seen in some quarters as a reason for cautious optimism — a first, tentative suggestion that as welfare restrictions sweep the cities, many poor families will find ways to adapt.

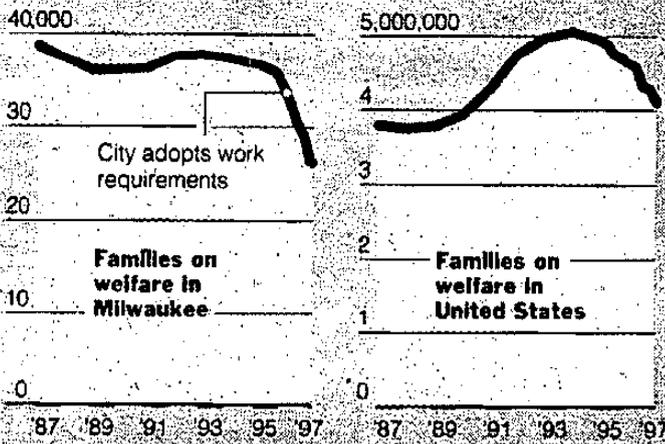
"It's too early to declare victory, but the initial outcome is encouraging," said Mayor John O. Norquist, a Democrat who occupies a middle ground between Mr. Thompson, the Republican Governor who designed the new system, and local critics who have gone as far as calling it "genocide."

"Most people have underestimated the abilities of welfare recipients to work and care for their families," Mr. Norquist said.

Milwaukee is capturing unusual attention because it is the first city to enforce the kind of strict rules envisioned by the landmark Federal welfare law that President Clinton signed last August. Milwaukee's experiment had begun in March 1996, when the state imposed three new programs.

One tries to divert new applicants from the rolls. A second requires welfare recipients to work 35 hours a week for their benefits. The third aims to change the behavior of bureaucrats, not poor.

Continued on Page A26



Sources: State of Wisconsin; U.S. Dept. of Health and Human Services

Continued From Page A1

people, by privatizing many job-placement services and rewarding the most successful agencies.

The welfare rolls, which were already declining, suddenly went into a free fall. Statewide, Wisconsin's rolls have dropped nearly 60 percent from their peak a decade ago, and nearly half of the state's counties have cut their rolls by an astonishing 80 percent or more.

But the caseload reductions are most surprising in Milwaukee, the nation's 17th-largest city. With 617,044 residents, Milwaukee grapples with the concentrated poverty that bedevils other urban cores. A full 60 percent of the state's welfare recipients reside within the city limits, and their experiences have run the gamut.

Marla Spencer overcame her fear of rejection and landed her first job in a decade, folding sheets in a commercial laundry for \$5.25 an hour. "My whole family's happy," she said, "and I'm the happiest of them all."

Toni Rogers landed in the state work program, quarreled with her boss and lost her benefits and her apartment. "She tried to talk to me like I was a dog or something — dehumanize me and stuff," she said one night in a homeless shelter over a plate of cold spaghetti.

Angela Engel bounced between work and welfare, and found neither a happy solution. Her last job, at a press that prints adult magazines, left her watching color close-ups ripple down a conveyor belt all day. "It was nasty," she said.

But after returning to welfare, Ms. Engel found herself back on an assembly line, working for her benefits and being pushed to leave the rolls. "That's what they're pressuring you to do — take anything, just to stay out of the system," she said.

Ms. Engel's analysis is apt. Wisconsin's drive to reduce its rolls is in part a preparation for an even bolder experiment. In September, it will become the first state to abolish cash assistance altogether and replace it with a more costly system of subsidized jobs for the needy. To keep that program affordable, the state needs to keep the number of participants low.

In the run-up, Milwaukee is framing the most important question in welfare policy: Can work really work?

The Rules

Hassles Nudge Many Off Aid

Inside the welfare office, a woman in a green power suit is pacing the floor. "Ladies and gentlemen, the state has never given you enough to support your family," she says. "It's sad, but the world looks at people on welfare as being lazy, sitting home having a bunch of kids."

She pauses, and then she gets personal. "I've been there," she says.

No one in Milwaukee comes onto the rolls without enduring a session like this, an anti-welfare lecture from a social worker with his or her own hardscrabble past. After the lecture, applicants must spend 60 hours searching for a job before receiving aid.

Since last year's start of the program, which is called Self-Sufficiency First, quarterly case openings have run between 7 percent and 31 percent lower than those of the previous year.

Privatization has played a large role. Fearing that career social workers would take a benign view of public aid, the state hired an outside company to run the program. The company, in turn, sought caseworkers for whom self-reliance was a matter of autobiography.

Becky Green, the upbeat woman in the power suit, tells her clients she became a single mother at the age of 17. Then she rejected welfare and worked everywhere from a McDonald's restaurant to a welding shop in order to get ahead. "We're telling them their destiny is their own," she said.

But while Ms. Green is seeking philosophical converts; there may be a simpler explanation for the program's effectiveness: the hassle factor. "A lot of people just say, 'The heck with it, I'll find my own job,'" said Jason Turner, the former state official who designed the program, and who recently left to start the Center for Self-Sufficiency in Milwaukee, a consulting business.

Once families get on the rolls, the hassles increase. About 12,000 of the city's 26,000 welfare families are now enrolled in the work program, called "Pay for Performance." In addition to spending 20 hours a week at a work assignment, they must spend 10 hours looking for a permanent job, and attend five hours of meetings on job-search techniques. For every hour they miss, their welfare checks are reduced by \$4.25.

While other cities have run work programs for welfare mothers, none is as large or as strictly enforced. In other programs, a mother who fails to comply typically loses about a third of her grant. In Milwaukee, those who do not work lose their entire cash benefit, which is \$517 a month for a family of three.

At its best, the work program produces stories like that of Ms. Spencer, a 37-year-old mother of two who had spent 19 years on welfare before getting the laundry job. She held her last job a decade ago, a two-month stint as a kitchen aide at a Chi-Chi's restaurant. Asked why she had not sought work since, Ms. Spencer, who has a 10th-grade education, called herself "lazy." But soon another explanation emerged: fear of rejection. "They say they're going to call you back but they never do," she said.

Last summer she was notified that if she did not report for a work assignment, she would lose her check. A private case management agency, hired by the state, assigned Ms. Spencer to spend 20 hours a week working for Goodwill Industries. Goodwill put her in the vast laundry it runs as a nonprofit business to train workers and provide jobs.

She spent four hours a day loading hotel sheets into washing machines the size of ballistic missiles. "I was happy because it gave me something to do besides sitting at home every day," she said.

WR - Caseload

1/2

Spencer compiled a perfect attendance record, and when a permanent job opened five months later, she was hired at \$5.25 an hour. Taking a break from the factory floor, she told the story as if she still could not believe her good fortune. "Now my son can tell his friends at school that his mother works," she said.

But a more jaded view comes from Ms. Engel, who can be seen on the Goodwill floor in a favorite black T-shirt that warns, "I'm Gonna Kill Someone." At 32, she has tended bar, worked factory floors and survived a relationship with a man who beat her so badly that she still has a bald spot on the back of her head.

She was earning what she considered good money, \$7.47 an hour, printing the adult magazines. But she quit after being put on the night shift, worrying that she would not be able to see her four children. "I figured I had them, I'm going to raise them," she said.

After years of hard jobs and hard living, Ms. Engel regards the work program as a waste of time. She sounded particularly annoyed at her case manager, who told her to wear high heels and a dress for an interview at a factory. "I'm like, 'Listen, little sister,'" she said. "I'm 10 years older than you. Don't tell me what to do."

Still, Ms. Engel concedes the rules are likely to have their intended effect, of reducing her stay on the rolls. "I can find something better out there," she said.

Thousands of others have come to the same conclusion. Skeptics say that since those who remain on the rolls are more disadvantaged, they will prove much more challenging to place. But so far the decline shows no sign of abating.

"The Milwaukee experience shows that it's far easier to reduce welfare dependency than anyone imagined," said Robert Rector, a welfare analyst at the conservative Heritage Foundation, a Washington research group. "There's no two-year time limit, there's no kicking people in the street. All there is, is a simple work requirement."

The Numbers

Many Disappear From Radar Screen

But no one knows where the recipients have gone. "The state doesn't want to know," said John Pawasarat, the director of the Employment and Training Institute at the University of Milwaukee at Wisconsin. "The goal is caseload reduction, period."

Mr. Pawasarat has sought some statistical clues, but by his own description they leave many questions unanswered. Examining 8,500 recently closed cases, he found follow-up information on 69 percent. They involved families still in the public aid system — no longer receiving cash but still needy enough to be getting food stamps or medical subsidies.

The other 31 percent could have suffered any mix of fates. They might have made so much money they no longer qualified. They might have left the state. They might have moved in with relatives or become so defeated that they totally fell out of the system.

Of those for whom records were available, 68 percent were working. But, Mr. Pawasarat said, "My guess is that most of those cases were already working" — legally or illegally — even when they were on welfare.

Another 18 percent for whom records were available reported no income at all, other than food stamps or medical aid. But this finding, too, is ambivalent: Such women could be destitute, or living comfortably with relatives or boyfriends. The remainder of those in Mr. Pawasarat's sample had other forms of unearned income, like child support or disability benefits. Mr. Pawasarat is among the many people who have criticized the state for refusing to collect better data. But Governor Thompson said he did not need a study to know the program works. "We know the vast majority of them have jobs and are working, which is how it ought to be," he said. "They're doing better and they like it."

Asked for the basis of his assessment, Mr. Thompson acknowledged it was unscientific. "It's anecdotal evidence," he said.

The Chaos

System Crushed Under Caseload

So far, the Milwaukee experiment has proceeded under conditions that are nearly ideal. The city's economy is strong, with an unemployment rate of just 5.7 percent, low for an urban core. And the state invested an additional \$19 million last year in day care and case managers for those in the work program, which was more than offset by nearly \$30 million in caseload reductions.

Yet despite considerable investment, the system has been rife with bureaucratic errors, creating a series of ordeals for those who remain on the rolls.

An average of 4,200 families a month lost income for rule infractions last year — or one of every three families in the work program. While that alone represents a vast loss of benefits, an average of 36 percent of the penalties were later found to have been improperly applied. That means about 1,500 Milwaukee families a month were penalized even when following the rules. While the lost income was typically restored, the costs of waiting and worrying can run high, especially among poor families whose budgets leave little room for error.

Ms. Spencer, the model Goodwill worker, was sanctioned twice, though she had never missed a day of work. "One day they'll tell you you're getting a full grant," she said.

"Then the next day they tell you you're sanctioned. I said, 'What is that?'"

In a Goodwill conference room, her complaint was echoed by all three of the other model workers chosen to talk to a reporter. "I was broke at Christmas," said Angela Marney, who lost her check in December after her case manager failed to punch her hours into the computer. "A lot of them ain't paying attention."

The problem has been particularly common for those who combine small amounts of welfare with private, part-time jobs. "We don't think that's anybody's idea of welfare reform — punishing working people," said Pat DeLessio, a Legal Services lawyer who has handled many appeals.

Another group caught in the muddle are the disabled, and those with disabled children, who are often subject to conflicting interpretations of whether they can work. Of Glenda Johnson's three young children, one has cerebral palsy and another is being tested for cystic fibrosis. She sends them to physical therapy twice a week and applies medicine from a nebulizer four times a day.

After being told last summer to report for a work assignment, Ms. Johnson gave her caseworker a letter from her doctor. "It is important for their health and development that Glenda Johnson be at home for the care of her children," he wrote. "She should not be employed outside the home."

But her caseworker disagreed, and Ms. Johnson lost her benefits. They were reinstated a month later, when no one from the state appeared at her appeal hearing. Then early this year, Ms. Johnson received another notice, threatening to revoke her check unless she begins working 35 hours a week.

"I think it's unjust, but who am I?" she said. "I'm just a welfare recipient."

Once an error is made, it can prove daunting to correct. With average caseloads of about 370, the welfare eligibility workers are literally too busy to answer the phone. As a test, social workers at Community Advocates, a nonprofit group that works with low-income families, recently called 100 eligibility workers. After waiting a week, they had reached only 26 percent. "The system cannot handle the new mandates," said Ramon Wagner, the organization's director.

Governor Thompson acknowledges the problems. "Any time you turn a system around as much as we have you're going to make some mistakes," he said. "We don't like it, but there's nothing we can do about it."

But the state designed the system in a way that invited such errors. The issuance of checks became the last step in a cumbersome computer chain. Work records had to travel from on-site supervisors, to private case managers, to county eligibility workers. If any link was broken — if a caseworker, say, was late in logging in records — the computer system would assume the recipient had failed to work and withhold that month's benefits. The system was designed that way to emphasize the seriousness of the work requirement; the burden was on the recipients to prove they worked, not on the state to prove they had not.

But Mr. Turner, the former official, said the state reversed itself in March and "moved back to a mechanism where, when nothing is entered, they'll get a full check." He said the move was partly driven by negative publicity. "It just wasn't worth having the advocates running around with a case of someone not getting their check," he said.

The Casualties

Program Takes A Human Toll

Twenty blocks west of Milwaukee's downtown, a neon cross crowns a cavernous building where business is unusually brisk. "Joy House" is the largest of the city's homeless shelters. And in recent months it has drawn reporters from as far as Japan, looking for those who have fallen through the cracks.

There's no doubt that homelessness has risen since the new laws took effect. The city's shelters were overflowing all winter, and churches took turns opening their doors to accommodate those without beds. The question is whether to consider the rise large or small in light of the vast changes under way.

Joe Volk, chairman of the Milwaukee Shelter Task Force, estimates that the number of homeless families rose by about 25 percent this past winter, compared with the previous year. On a given winter night, he said, that meant about 41 additional families were homeless. By the spring, Mr. Volk said, that number had declined to about 26 families a night.

Since such numbers represent a tiny percentage of the 10,000 families who have left the rolls, some analysts find the statistics reassuring. "That's a lot of caseload reduction without finding very many horror stories," said Mr. Rector, the Heritage Foundation analyst.

But Mr. Volk said that the single-night numbers might underestimate the problem: Over the course of a year, hundreds of additional families may find themselves homeless. What is more, he said, the numbers may continue to rise. "People don't become homeless overnight," he said. "They typically go through a period of staying with family and friends. I don't think we've seen the full effects yet."

Other statistics offer a mixed picture of the new law's effect on the most vulnerable. Mr. Wagner, the director of Community Advocates, said he expected sharper rises in reports of child abuse and neglect. While the reports rose 12 percent in 1996 to 10,168, they are still 4 percent below the level set in 1994.

"We thought there'd be a more dramatic impact," Mr. Wagner said, "that if a couple thousand families lost all their incomes, you'd really see the child welfare numbers shoot up. We haven't seen that."

But at the Hunger Task Force of Milwaukee, officials are troubled by the increased requests for food assistance. After remaining stable for several years, the number of people visiting food pantries rose 14 percent in 1996, to 42,000 a month. And the number of people receiving hot meals rose 20 percent.

"Right now we're having a pretty strong economy, and we're seeing hunger increase," said Rene Scherck-Meyer, a policy analyst at the task force. "Our concern is what will happen if there's a downturn."

She added that some of the increase could have come from other cuts, including the elimination in 1995 of a state welfare program for single adults.

As for the increase in homelessness, Mr. Rector, the Heritage Foundation analyst, argues that it is not necessarily a bad result. Many of the women arriving in shelters have drug problems that kept them from work. "If they wind up in a shelter, that's a good thing," Mr. Rector said, "because now they're going to have to start dealing with their problems. The previous welfare system would have let them sit there for five years."

That suggestion draws an angry response from Sherrie Kay, the director of Hope House, a shelter on the city's south side. "It's not going to cause you to get alcohol and drug treatment if there is no alcohol and drug treatment," she said. "Eviction is not part of any drug treatment program that I know of."

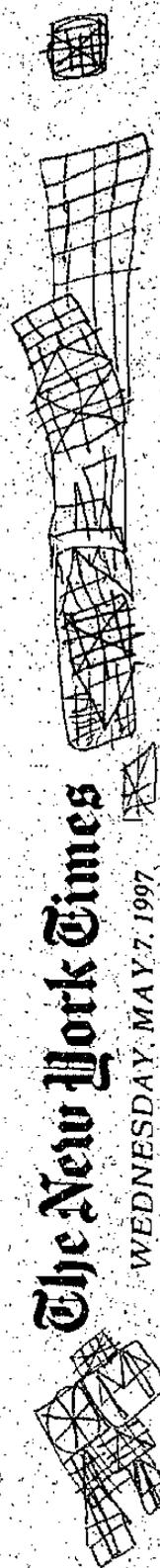
Opinions can be just as varied among the shelter residents themselves. Loretta Wright said she knew she would lose her benefits when she abandoned her assignment at a nursing home. But she was depressed because her brother had been murdered and her mother was terminally ill. Plus, she said, "I was really jacked up" on drugs.

She called her stay at Joy House with her two young sons a step in the right direction. "I'm here because I need to be here," she said. And she praised the new welfare law "because it wakes people up."

But others just get more beaten down. Amber Peck also realized she was forfeiting her check when she ignored her work notice last fall. But after years of depression and intermittent bouts of drug abuse, she could not bring herself to join the program. "I stay depressed all the time," she said.

After losing her check, Ms. Peck looked for a job and a cheaper apartment. Finding neither, she left her two teen-age children with a friend, and moved into Hope House. But she lost her spot there this winter after staying out all night with friends.

By the time a late winter snow storm hit, she was reduced to roaming the city with a shopping bag and sleeping on a church floor, either unwilling or unable to change. "It's my fault," she said, looking much older than her 47 years and sounding indescribably sad. "I knew they were going to do this."



Reform law spurs drop in caseloads

A survey of states shows pace exceeds expectations

By Richard Wolf
USA TODAY

A drop in welfare caseloads that started three years ago has escalated since the federal welfare reform law was enacted in August, a USA TODAY survey shows.

More than 1.3 million people left the welfare rolls in 1996 — more than 650,000 of them in just the last four months of the year, after the law was signed.

The pace of decline is faster than at any time since welfare rolls peaked at 14.4 million in March 1994. About 11.5 million remain on welfare.

The shrinking caseloads will help states meet the needs of those still on welfare and those going to work. Under the federal law, each state gets a set amount of money, based on caseloads from previous years.

Under one projection by congressional Republicans, states could have an average of \$5,662 in federal money to spend on each welfare family in 1998, up from \$3,624 in 1994.

States could choose to pay recipients more money. But it's more likely they'll spend it on areas such as job training, child care and transportation. "If this trend continues, then the states are going to have more than enough money to do a lot of the things that they might want to do," says House Ways and Means Committee Chairman Bill Archer, R-Texas.

President Clinton signed the new law Aug. 22, ending a 61-year guarantee of aid to poor families. The law lets states run their own welfare programs, requires most recipients to work and limits lifetime benefits to five years.

USA TODAY surveyed all 50 states to supplement federal data through October for Aid to Families with Dependent Children, the nation's main cash welfare program. New figures for November and December supplied by 47 states show a faster decline than officials expected at the time the new law was enacted:

▶ Welfare caseloads shrank 5% in the last four months of 1996, and 10% in all of 1996.

▶ The drop of more than 650,000 in the last four months is nearly double the 377,000 in the same four months of 1995.

▶ Caseloads dropped in every state in the last four months of 1996.

"This decline is unprecedented," says Rep. E. Clay Shaw, R-Fla., an author of the new law.

Indiana, Oregon, Tennessee and Wisconsin cut caseloads 14% to 15% in the last four months of 1996. Most have been moving welfare clients into jobs for several years. Six other states cut caseloads at least 10%.

Welfare experts attribute the decline in part to a strong economy and state efforts to move welfare clients into jobs.

But they also say that federal reforms, which will be phased in through this summer, helped create a new mindset among caseworkers and clients that welfare is a temporary way-station to work.

"The first question now is, 'How can we help you get a job?'" says A. Sidney Johnson III, executive director of American Public Welfare Association. "That's an enormous change in the culture of welfare."

700 Coloradans called to jury pool for McVeigh trial

By Martha T. Moore
USA TODAY

DENVER — Up to 700 Coloradans are finding a surprise in their mailbox from U.S. District Judge Richard Matsch.

In a notice dated on Valentine's Day, Matsch informs recipients they are potential jurors in the trial of Oklahoma City bombing suspect Timothy McVeigh, 28.

McVeigh and co-defendant Terry Nichols, 41, are charged with murder, conspiracy and weapons-related counts in the bombing of the Alfred P. Murrah Federal Building April 19, 1995. The blast killed 168 people and injured more than 500. McVeigh's trial is scheduled to start March 31, but no date for Nichols' trial has been set.

A year ago, Matsch ordered a 680-mile change of venue in an attempt to ensure a fair trial.

Twelve jurors and six alternates for McVeigh's trial will be chosen from a 23-county area surrounding Denver.

An initial jury questionnaire seeks basic information: name, age, address, workplace, education and whether the recipient has a criminal record.

It also asks whether the recipient is a police officer, volunteer or career firefighter or belongs to a rescue squad of the U.S. military.

Jurors won't be sequestered, but already the judge has cautioned the pool to avoid reading about, watching or discussing any element of the case.

"Please be careful to avoid anything that may interfere with your ability to be open-minded and decide this case according to the law and evidence. I know that will be difficult and that it is contrary to human nature to avoid discussing matters receiving widespread publicity. Yet, a fair trial depends upon the willingness of citizens to do their duty."

A hearing is in progress to allow defense challenges to some prosecution witnesses.

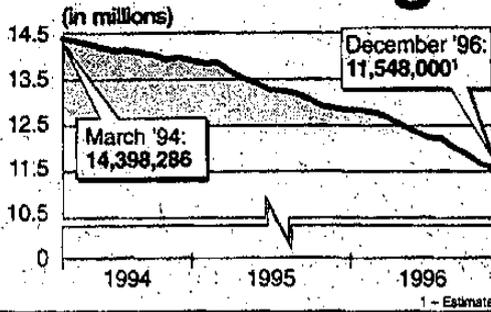
USA TODAY
THURSDAY, FEBRUARY 20, 1997

U.S. welfare rolls shrinking

Will Caseload

People on welfare

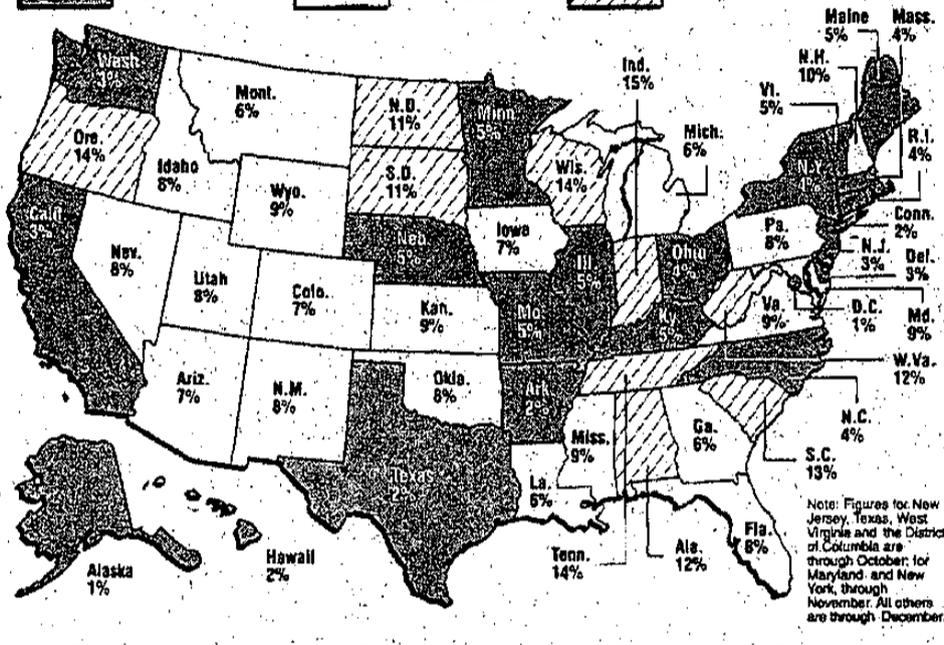
The number of people on welfare has been declining nationally since March 1994, when it peaked at 14.4 million. The decline escalated during the last four months of 1996.



State-by-state declines

Caseload declines during the last four months of 1996:

1-5% decline 6-10% decline 11-15% decline



Sources: U.S. Health and Human Services Department, USA TODAY research

By Elys A. McLean, USA TODAY

Across nation, focus shifts off benefits and onto work

By Richard Wolf
USA TODAY

Visit nearly any welfare office in the nation these days and the reasons for rapidly dropping caseloads are clear. The focus has changed from providing benefits to encouraging work. Clients often must take workplace-training classes and pledge in writing to seek jobs and child support, or they risk losing benefits. Caseworkers have become counselors on finding day care and bus routes.

In some states, publicity surrounding welfare reform has been enough to trim the rolls.

The result is an exodus from the welfare rolls of nearly 3 million adults and children in three years, including an unprecedented 650,000 in the last four months of 1996.

"There's something about that message going out that seems to influence people," says George Johnson of the Oklahoma Department of Human Services. "People have just disappeared."

There are three major reasons for the decline in caseloads. A strong economy is creating new jobs. States are working to move welfare recipients into jobs. And the anticipation of federal work requirements and time limits on benefits are pushing welfare clients off the rolls.

Tennessee produced brochures and videos and held town hall meetings before implementing changes in September. Its caseload dropped 14% in four months as clients went to work or left voluntarily.

Florida sent notices to all welfare recipients in September about the new time limits. Its caseload dropped 8% in the next three months.

"When they find out about the strict work requirements, some people are declining assistance



By Cindy Luo
Centeio: 'A cut-off date is a good motivator.'

and deciding that they have other options," says state welfare reform administrator Don Winstead. "It may be that a job that last week didn't look so attractive, this week looks a little better."

Those remaining on welfare face pressure to get jobs and understand the new law may force them from the rolls.

In Somerville, Mass., 28-year-old Maria Centeio is taking college courses and performing volunteer work while caring for her two small children. "Having a cut-off date is a good motivator," says Centeio, who receives \$785 a month in cash and food stamps for her family while looking for a job. "Some people need a wake-up call."

In Seattle, Wash., 50-year-old Glen Boothman calls the new rules "good" despite finding himself homeless after a fruitless job search. No longer able to work as a heavy-equipment operator, he receives \$339 in monthly disability payments and \$58 a month in food stamps, plus medical coverage. "I put myself here," Boothman says. "I feel I can get back on my feet."

Opponents of the new law say the law is not responsible for the recent surge in caseload declines. "In most states, they were just turning in their plans," says Wendell Primus of the liberal Center on Budget and Policy Priorities.

They argue caseload declines are not a measure of success, since it remains unclear whether most of those leaving welfare join the workforce or wind up unemployed and worse off.

Proponents of welfare reform say publicity surrounding the law has convinced many current and would-be recipients to seek work who wouldn't have otherwise. "The law has hardly taken effect, but people are adjusting their expectations and therefore their behavior," says Douglas Besharov of the conservative American Enterprise Institute.

Welfare administrators warn that the pace of caseload decline is likely to slow after this year. Those who remain on welfare longest often have the most serious problems such as inadequate education, drug abuse or mental illness.

"We're not going to be able to continue the same dramatic caseload drop that we've experienced up to now," says Gary Weeks, director of the Oregon Department of Human Resources. "The people who remain, there are more challenges to employing them."

USA TODAY
THURSDAY, FEBRUARY 20, 1997

House committee report finds states' welfare funding ample

Shrinking caseloads leave more for hard-core jobless

By Cheryl Wetzstein
THE WASHINGTON TIMES

Faced with shrinking welfare caseloads and federal mandates to spend welfare funds on welfare recipients, states should have ample funds to move longtime welfare recipients into work, a House committee report said yesterday.

The report was released before top Clinton administration officials came to testify about why \$21 billion in new welfare spending was needed in the 1998 budget.

Yesterday's hearing touched also on the need to encourage adoption of children in foster care. Today, a Department of Health and Human Services (HHS) report, "Adoption 2002," is scheduled to be presented to President Clinton and first lady Hillary Rodham Clinton.

Prior to the hearing before the House Ways and Means subcommittee on human resources, a one-year analysis of Aid to Families With Dependent Children (AFDC) caseloads was released.

The analysis showed that between September 1995 and September 1996, AFDC caseloads dropped in 48 states. Twenty states saw double-digit declines.

With 400,000 fewer families on welfare, states will have more money to spend on the remaining families because states get fixed welfare grants regardless of the size of their caseloads, said Rep. E. Clay Shaw Jr., Florida Republican and subcommittee chairman.

"Because of the savings... [states] will have much more money to spend in job training to get the hard-core unemployed into the job market," he said.

If states misuse welfare funds by building bridges or schools, "they'll get caught... and they'll have to repay the money and a penalty," a GOP aide asserted.

Welfare rolls have dropped from 4.6 million families to 4.2 million families. The House committee report projected that the caseload would fall to 3.7 million families by 1998.

The Clinton administration has proposed adding \$21 billion in new welfare spending over the next five years.

DECLINING WELFARE

Aid to Families With Dependent Children (AFDC) caseloads fell in the District and all but two states last year, according to an analysis by the House Ways and Means Committee.

Percentage change in caseloads, September 1995-September 1996

Alabama	-7.12	Kentucky	-4.40	North Dakota	-5.20
Alaska	+4.49	Louisiana	-11.84	Ohio	-7.25
Arizona	-7.23	Maine	-5.67	Oklahoma	-17.49
Arkansas	-5.15	Maryland	-28.08	Oregon	-22.67
California	-4.19	Massachusetts	-13.57	Pennsylvania	-9.05
Colorado	-8.02	Michigan	-11.07	Rhode Island	-5.89
Connecticut	-5.52	Minnesota	-4.69	South Carolina	-8.68
Delaware	+2.22	Mississippi	-13.11	South Dakota	-6.03
District	-3.91	Missouri	-8.79	Tennessee	-11.81
Florida	-9.16	Montana	-13.86	Texas	-11.51
Georgia	-11.92	Nebraska	-3.95	Utah	-10.72
Hawaii	-4.9	Nevada	-17.19	Vermont	-7.94
Idaho	-6.13	New Hampshire	-11.53	Virginia	-11.65
Illinois	-5.20	New Jersey	-8.34	Washington	-1.78
Indiana	-12.29	New Mexico	-3.21	West Virginia	-.05
Iowa	-10.95	New York	-7.30	Wisconsin	-28.40
Kansas	-13.85	North Carolina	-9.26	Wyoming	-10.42

Sources: Department of Health and Human Services, Congressional Research Service, and House Ways and Means Committee.

The Washington Times

"It's going to be really hard to get people to pay for noncitizens' benefits when they are... taking away from citizens' programs."

Roughly \$14 billion of that is to sustain benefits to low-income elderly legal immigrants who became disabled after they came to the United States, and Medicaid for low-income disabled immigrant children.

Under the welfare law, about 500,000 of the 800,000 legal immigrants enrolled in the Supplemental Security Income (SSI) cash welfare program are expected to lose their SSI and food stamp benefits beginning this year.

The Clinton proposal would continue SSI for about 320,000 of the 500,000 legal immigrants who are expected to lose benefits.

States have the option to deny legal immigrants Medicaid, but

only four states have decided to do that, officials said yesterday.

The administration proposals are to remedy "problems in the welfare reform legislation that are harmful to immigrants and that have nothing to do with promoting the welfare reform goals of moving people from welfare to work," said Olivia A. Golden, a top HHS official.

But subcommittee members offered little hope for expansive change in the welfare law.

"It's going to be really hard to get people to pay for noncitizens' benefits when they are going to be taking away from citizens' programs," said Rep. Robert T. Matsui, California Democrat.

The Washington Times

FRIDAY, FEBRUARY 14, 1997

Success, and Frustration, as Welfare Rules Change

By JASON DePARLE

WASHINGTON, Dec. 29 — When, at last, President Clinton walked into the Rose Garden on Aug. 22, 1996, to "end welfare as we know it," he brought many dramas to a close: six decades of anti-poverty policy; five years of ideological warfare; a standoff with Congress that had produced two vetoes, and a battle that had split his Cabinet and his party.

He also opened a new chapter in the nation's relationship with its poor. Damp with the morning's oppressive humidity, reaching for his pens, the President urged the fatigued combatants on all sides to pay attention to the experiment's crucial first years. "This is not the end of welfare reform," he said that day and many times later. "This is the beginning."

Now, from Sacramento to Albany, 49 states have attached budgets and programs to a vague Federal vision. After an eventful first year, these decisions begin to define what time limits and work requirements really mean, at least in a vibrant economy. Billions of dollars have flowed to states. Two million women and children have left the rolls. And thousands of stories have taken shape, of hard luck and hard-won achievements.

In Wisconsin, Gov. Tommy G. Thompson started the nation's boldest work program, all but eliminating cash aid. In Alabama, a state Representative, Jim Carns, saw the need for services that, as a conservative Republican, he formerly scorned. In Greenville, Miss., Beth Bradford tried to build a bridge between her church and the welfare poor, but surrendered with frustration at the town's racial and class divisions.

After 19 years on welfare in Milwaukee, Maria Spencer not only found a job but kept it. After years



Andrea-Mohin/The New York Times

Theresa Sledge of Pensacola, Fla., depends on food stamps and charity after losing her welfare benefits.

LESSONS LEARNED

Welfare Reform's First Months

A special report.

of discarding jobs like old socks, Opal Caples lost one more. After losing her check, Theresa Sledge moved to a ramshackle trailer 15 miles from Pensacola, Fla. She is rearing her three children there on food stamps and charity while her

husband talks openly of going back to selling drugs. As welfare turns from a right to a rigor, Mrs. Sledge said, "it's either too easy or too hard."

Mr. Clinton's decision to sign the new welfare law has been scoured for what it reveals of his character. Did he sacrifice poor children for political gain? Did he finally find the mix of opportunity and responsibility he had pledged for so long to pursue?

What gives these questions such

resonance is that they apply to the country as a whole. To chart the nation's nascent welfare policy is to glimpse the American soul, its caring and its callousness, its fairness and its biases, its competence and its neglect.

As the bill made its passage through Congress last year, its friends and enemies spoke out in homiletic terms. They described how their parents and grandpar-

Continued on Page A12

Lawyers Drop Mental Defense For Kaczynski

Could Still Raise Issue Before Sentencing

By WILLIAM GLABERSON

SACRAMENTO, Calif., Dec. 29 — Lawyers for Theodore J. Kaczynski today abandoned their effort to defend him against charges that he was the Unabomber by arguing that he had a "mental defect."

The action was a victory for prosecutors who have been working to bar the defense from arguing that Mr. Kaczynski is a delusional paranoid schizophrenic. The prosecutor asked the judge hearing the case to bar the argument because Mr. Kaczynski refused to be examined by Government psychiatrists.

But if Mr. Kaczynski is convicted, the defense could still assert before any sentence is imposed that he should not be executed because his mental illness provides a mitigating explanation for his actions.

During a hearing on sentencing, defense lawyers could theoretically present even a fuller picture of mental illness. But, because Mr. Kaczynski would be likely to continue to resist examination by Government psychiatrists, prosecutors would likely to oppose such an effort well.

Although Mr. Kaczynski and his lawyers were at odds over his psychiatric defense in recent days, they reached an accord about strategy this week that seemed to appease Mr. Kaczynski by forgoing psychiatric arguments when the jury hears evidence of whether he is guilty or not. It appears that the lawyers are preserving an argument over Mr. Kaczynski's mental state for a later phase of the case, when such evidence might be most persuasive in the effort to save his life.

Without a mental-defect argument, the defense team is left to face an expected barrage of prosecutive evidence linking Mr. Kaczynski to a series of package bombings that killed 3 people and injured 28 others in an anti-technology terror campaign.

Judge in Texas Jars U.N. Effort On War Crimes

At Businesses, 'Workweek' Is Misnomer at the Holidays

By N. R. KLEINFELD

White House Seeks More for AIDS Drugs

President Clinton plans to seek a substantial increase in Federal spending for AIDS treatment, pri-

WJ
Case/lead

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

October 8, 1997

REMARKS BY THE PRESIDENT
UPON DEPARTURE

The South Lawn

9:10 A.M. EDT

THE PRESIDENT: Good morning. I ran for President with a challenge to our country to replace the broken welfare system with one that expands opportunity, demands responsibility and reflects our values of faith, work and families.

Since I took office, we've worked hard to make this vision a reality. First, by working with 43 states to launch innovative experiments in welfare reform, and then by enacting a welfare reform law that challenged all our states and all people involved in the system to do far more to move from welfare to work.

Today, we received yet another piece of evidence that welfare reform is working far better than anyone had predicted it would. We learned that welfare rolls have continued their unprecedented decline, dropping by another 250,000 people in the most recent month alone -- one of the largest monthly drops ever. Altogether, we have seen our welfare rolls shrink by more than 1.7 million people since I signed the welfare reform law and by more than 3.6 million people, or 26 percent, since I took office.

This is a truly historic achievement for America. It shows that we can accomplish great things when our policies promote work and reflect our values. We're building an America where all families have the chance to center their lives around work, family and responsibility. But we have more to do to ensure that all those who can work are able to work.

The private sector here must do more to take the lead. The balanced budget law I signed last August not only repealed unfair cuts that targeted legal immigrants, but also created a \$3-billion welfare to work program and increased incentives for businesses to hire former welfare recipients.

For our part, we've set a goal of hiring 10,000 people off the welfare rolls to fill existing jobs in the federal government. Later today, the Vice President, who has led this initiative, will report on our progress in doing our part.

We are working hard here to change lives to empower all Americans to seize the new opportunity of a new century. I am very encouraged by these welfare numbers. We now have the smallest percentage of our people on welfare in about three decades after the biggest drop in the welfare rolls in history. This proves that this system can work. But to get to the rest of the people, we have to have more help in creating these jobs, the businesses have to take advantages of the tax credits, and the municipal governments and others have to take advantage of the \$3-billion fund. But this is great news for America today, and I must say I am very, very pleased.

Q Mr. President, Senator Thompson says that it's time for you to take personal responsibility for the campaign finance

MORE

attempt yesterday which I hope won't be successful to deal the death blow to campaign finance reform. And they've done it every year in the Senate, they've done it every year with a filibuster. This year, they're prepared to use a filibuster and two or three other tactics because they raised more money, more big money and more money from other sources than the Democrats, but both parties are going to have problems and question raised, and raise too much money and spend too much time raising it until we reform the campaign finance laws.

The big story yesterday was, one more time, they're doing their very best to kill it, and they're hoping that they can stir up all this business, I think, about these films. Now, I'm not defending the fact the films should have been turned over. But I think you've been given, I think, a pretty good background on what happened. I think there is a logical explanation. I don't like it, I'm frustrated when there's not complete compliance, but when we gave 100,000 pages of documents to Senator Thompson's committee, I think that's pretty good evidence of our good faith. We have tried to do no inappropriate things to resist his need to discover evidence; we want him to know the facts.

Yes, go ahead.

Q Mr. President, yesterday there was the first meeting in eight months between Prime Minister Netanyahu and Chairman Arafat. No statements were made. What have you heard about that meeting and how do you see it in light of the latest events in the Middle East?

THE PRESIDENT: The most important thing it is that it occurred, and it occurred not a moment too soon. We've had some difficult developments in the Middle East. I am pleased that Ambassador Ross was able to put it together. As I said with President Weizman yesterday, it may be that the developments of the last few days have been so troubling and so difficult that it has gotten the attention of both sides, and clarified the necessity for them to get back to talking with each other and to get this peace process back on track. I hope -- I hope that is what happened. That is certainly what I have tried to do, certainly what Ambassador Ross is trying to do there. So the fact that they met is encouraging. I think it would be better for me at this moment to let them characterize the nature and results of the discussions they had.

Thank you.

END

9:20 A.M. EDT

CHANGE IN WELFARE CASELOADS

Total AFDC/TANF families and recipients

	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u> (millions)	<u>Jan. 96</u>	<u>Jan. 97</u>	<u>percent(93-97)</u>
Families	4.963	5.053	4.936	4.628	4.104	-17%
			<i>859,000 fewer families</i>			
Recipients	14.115	14.276	13.918	12.877	11.360	-20%
			<i>2,755,000 fewer recipients</i>			

Total AFDC/TANF recipients by State

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Jan. 96</u>	<u>Jan. 97</u>	<u>percent(93-97)</u>
Alabama	141,746	135,096	121,837	108,269	91,569	-35%
Alaska	34,951	37,505	37,264	35,432	36,189	+4%
Arizona	194,119	202,350	195,082	171,617	151,526	-22%
Arkansas	73,982	70,563	65,325	59,223	54,751	-26%
California	2,415,121	2,621,383	2,692,202	2,648,772	2,474,689	+2%
Colorado	123,308	118,081	110,742	99,739	87,074	-29%
Connecticut	160,102	164,265	170,719	161,736	155,578	-3%
Delaware	27,652	29,286	26,314	23,153	23,141	-16%
D.C.	65,860	72,330	72,330	70,082	67,871	+3%
Florida	701,842	689,135	657,313	575,553	478,329	-32%
Georgia	402,228	396,736	388,913	367,656	305,732	-24%
Hawaii	54,511	60,975	65,207	66,690	65,312	+20%
Idaho	21,116	23,342	24,050	23,547	19,925	-6%
Illinois	685,508	709,969	710,032	663,212	599,629	-13%
Indiana	209,882	218,061	197,225	147,083	121,224	-42%
Iowa	100,943	110,639	103,108	91,727	78,076	-23%
Kansas	87,525	87,433	81,504	70,758	57,528	-34%
Kentucky	227,879	208,710	193,722	176,601	161,150	-29%
Louisiana	263,338	252,860	258,180	239,247	206,582	-22%
Maine	67,836	65,006	60,973	56,319	51,031	-25%
Maryland	221,338	219,863	227,887	207,800	169,723	-23%
Massachusetts	332,044	311,732	286,175	242,572	207,932	-37%
Michigan	686,356	672,760	612,224	535,704	460,793	-33%
Minnesota	191,526	189,615	167,949	171,916	159,855	-17%
Mississippi	174,093	161,724	146,319	133,029	108,365	-38%
Missouri	259,039	262,073	259,595	238,052	208,132	-20%
Montana	34,848	35,415	34,313	32,557	26,294	-25%
Nebraska	48,055	46,034	42,038	38,653	36,490	-24%
Nevada	34,943	37,908	41,846	40,491	28,817	-18%
New Hampshire	28,972	30,386	28,671	24,519	20,627	-29%
New Jersey	349,902	334,780	321,151	293,833	256,000	-27%
New Mexico	94,836	101,676	105,114	102,648	89,814	-5%
New York	1,179,522	1,241,639	1,266,350	1,200,847	1,074,100	-9%
North Carolina	331,633	334,451	317,836	282,086	252,564	-24%
North Dakota	18,774	16,785	14,920	13,652	11,904	-37%
Ohio	720,476	691,099	629,719	552,304	518,595	-28%
Oklahoma	146,454	133,152	127,336	110,498	87,144	-40%
Oregon	117,656	116,390	107,610	92,182	66,919	-43%
Pennsylvania	604,701	615,581	611,215	553,148	483,625	-20%



DEPARTMENT OF HEALTH & HUMAN SERVICES

65460

cc Lynn Hogan -
Diane

Case/lead
w/r

Melissa T. Skolfield

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65709

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Date: 1/27 Total number of pages sent: Cover + 16

Comments:

Here are some stats related to welfare reform, including the latest caseload numbers (Oct. 1996 - see pg. 1-2).

Hope this is helpful. Please let Melissa or me know if you need more.

Thanks,
Lofy

CHANGE IN WELFARE CASELOADS**Total AFDC families and recipients**

	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Oct. 96</u>	<u>percent (93-96)</u>
		(millions)			
Families	4.963	5.053	4.936	4.280	-14%
		683,000 fewer families			
Recipients	14.115	14.276	13.918	11.864	-16%
		2,251,000 fewer recipients			

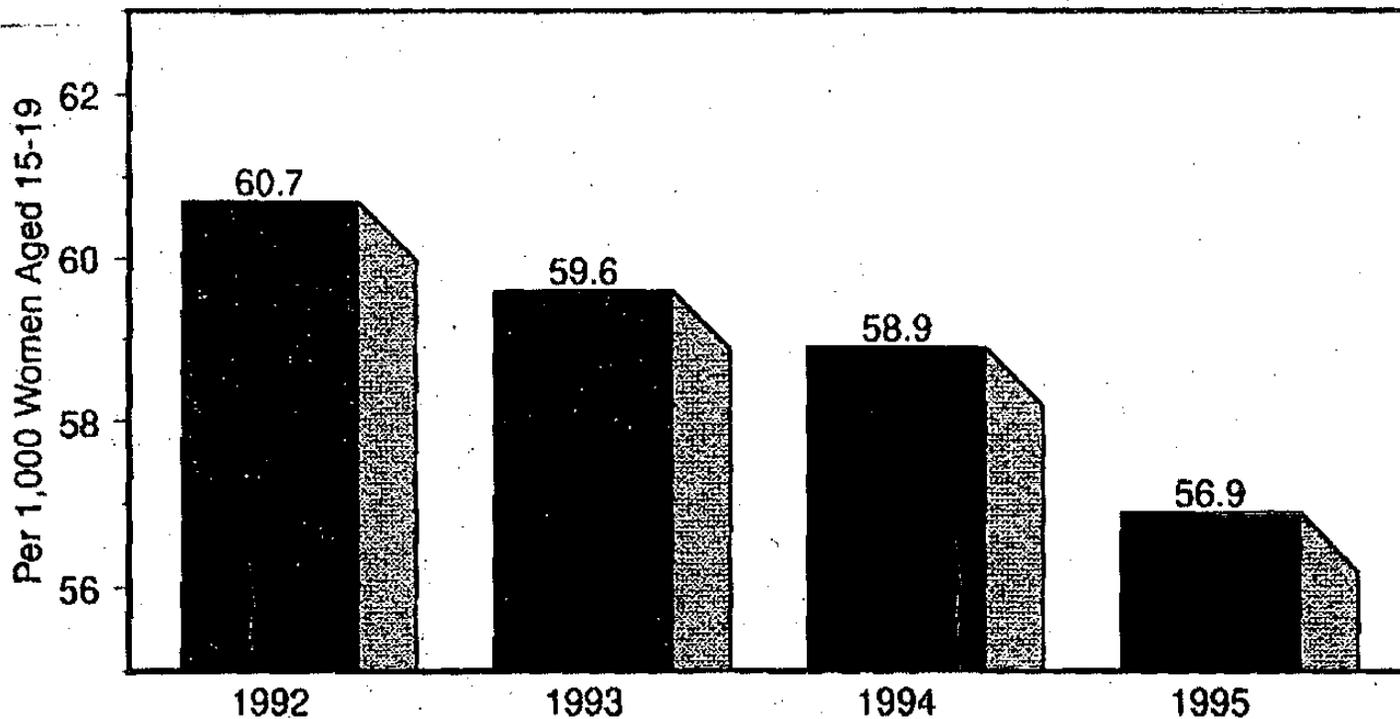
Total AFDC recipients by State

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Oct. 96</u>	<u>percent (93-96)</u>
Alabama	141,746	135,096	121,837	99,000	-30%
Alaska	34,951	37,505	37,264	35,200	+1%
Arizona	194,119	202,350	195,082	163,400	-16%
Arkansas	73,982	70,563	65,325	56,000	-24%
California	2,415,121	2,621,383	2,692,202	2,522,300	+4%
Colorado	123,308	118,081	110,742	92,000	-25%
Connecticut	160,102	164,265	170,719	157,700	-2%
Delaware	27,652	29,286	26,314	23,300	-16%
District of Columbia	65,860	72,330	72,330	68,900	+5%
Florida	701,842	689,135	657,313	521,700	-26%
Georgia	402,228	396,736	388,913	320,000	-20%
Hawaii	54,511	60,975	65,207	66,100	+21%
Idaho	21,116	23,342	24,050	20,600	-2%
Illinois	685,508	709,969	710,032	618,700	-10%
Indiana	209,882	218,061	197,225	130,200	-38%
Iowa	100,943	110,639	103,108	82,000	-19%
Kansas	87,525	87,433	81,504	60,600	-31%
Kentucky	227,879	208,710	193,722	166,800	-27%
Louisiana	263,338	252,860	258,180	223,500	-15%
Maine	67,836	65,006	60,973	52,400	-23%
Maryland	221,338	219,863	227,887	185,100	-16%
Massachusetts	332,044	311,732	286,175	216,300	-35%
Michigan	686,356	672,760	612,224	489,500	-29%
Minnesota	191,526	189,615	167,949	164,400	-14%
Mississippi	174,093	161,724	146,319	116,200	-33%
Missouri	259,039	262,073	259,595	216,600	-16%
Montana	34,848	35,415	34,313	26,600	-24%
Nebraska	48,055	46,034	42,038	37,200	-23%
Nevada	34,943	37,908	41,846	31,900	-9%
New Hampshire	28,972	30,386	28,671	21,700	-25%
New Jersey	349,902	334,780	321,151	267,400	-24%
New Mexico	94,836	101,676	105,114	96,800	+2%
New York	1,179,522	1,241,639	1,266,350	1,124,400	-5%
North Carolina	331,633	334,451	317,836	263,300	-21%
North Dakota	18,774	16,785	14,920	12,500	-33%
Ohio	720,476	691,099	629,719	539,200	-25%

<u>state</u>	<u>Jan. 93</u>	<u>Jan. 94</u>	<u>Jan. 95</u>	<u>Oct. 96</u>	<u>percent (93-96)</u>
Oklahoma	146,454	133,152	127,336	92,900	-37%
Oregon	117,656	116,390	107,610	71,300	-39%
Pennsylvania	604,701	615,581	611,215	503,100	-17%
Rhode Island	61,116	62,737	62,407	55,400	-9%
South Carolina	151,026	143,883	133,567	112,700	-25%
South Dakota	20,254	19,413	17,652	14,600	-28%
Tennessee	320,709	302,608	281,982	227,400	-29%
Texas	785,271	796,348	765,460	637,700	-19%
Utah	53,172	50,657	47,472	37,500	-29%
Vermont	28,961	28,095	27,716	23,700	-18%
Virginia	194,212	194,959	189,493	145,500	-25%
Washington	286,258	292,608	290,940	263,600	-8%
West Virginia	119,916	115,376	107,668	78,400	-35%
Wisconsin	241,098	230,621	214,404	138,100	-43%
Wyoming	18,271	16,740	15,434	10,800	-41%

Source: U.S. Dept. of Health & Human Services
Administration for Children and Families
January 1997

Teen Birth Rates Have Declined Under the Clinton Administration*

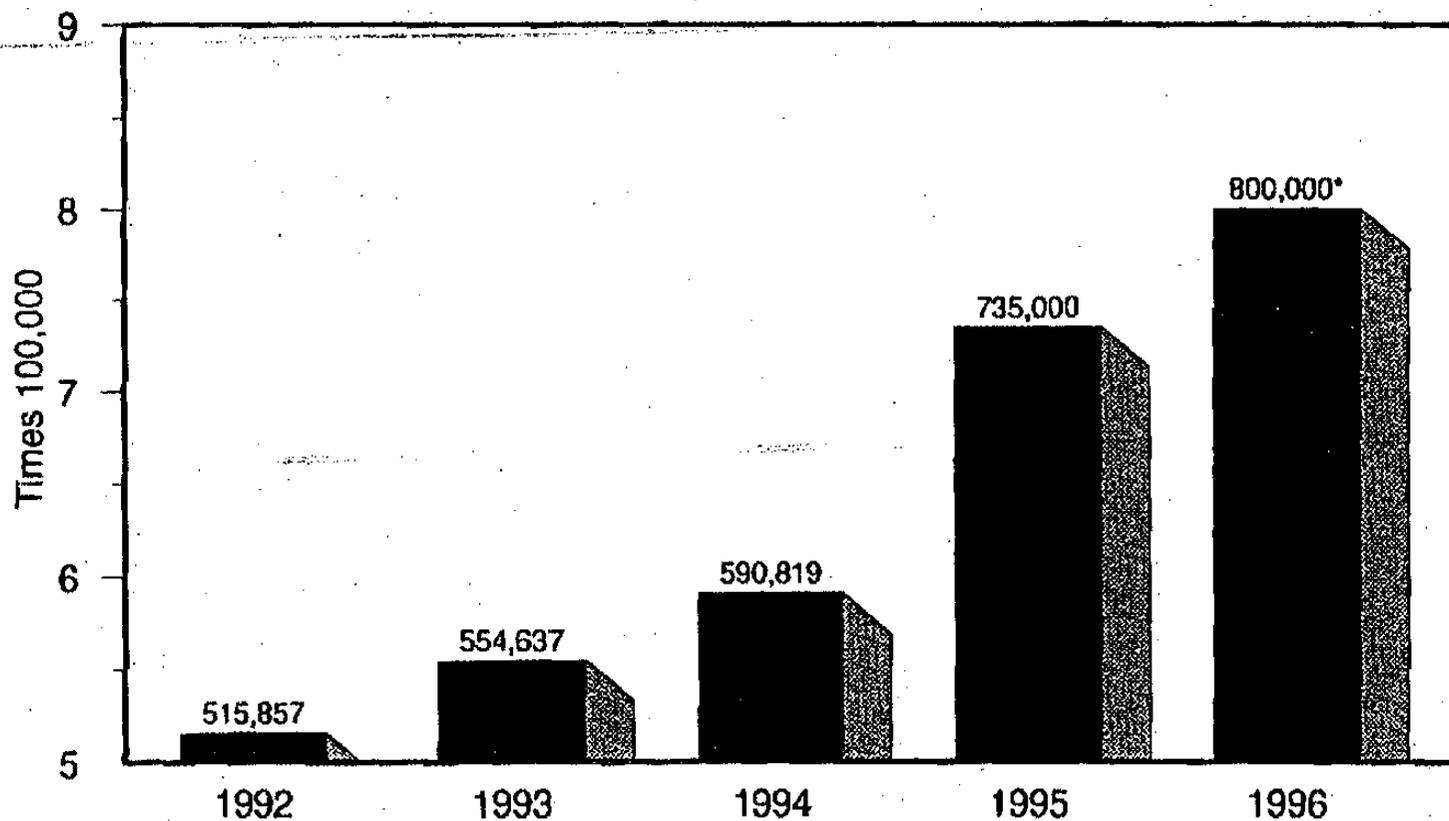


Source: "Birth and Deaths: United States, 1995" Monthly Vital Statistics Report, Centers for Disease Control and Prevention, U.S. Department of Health and Human Services, Vol. 45, No. 3, October 4, 1996

* Live births per 1,000 women aged 15-19

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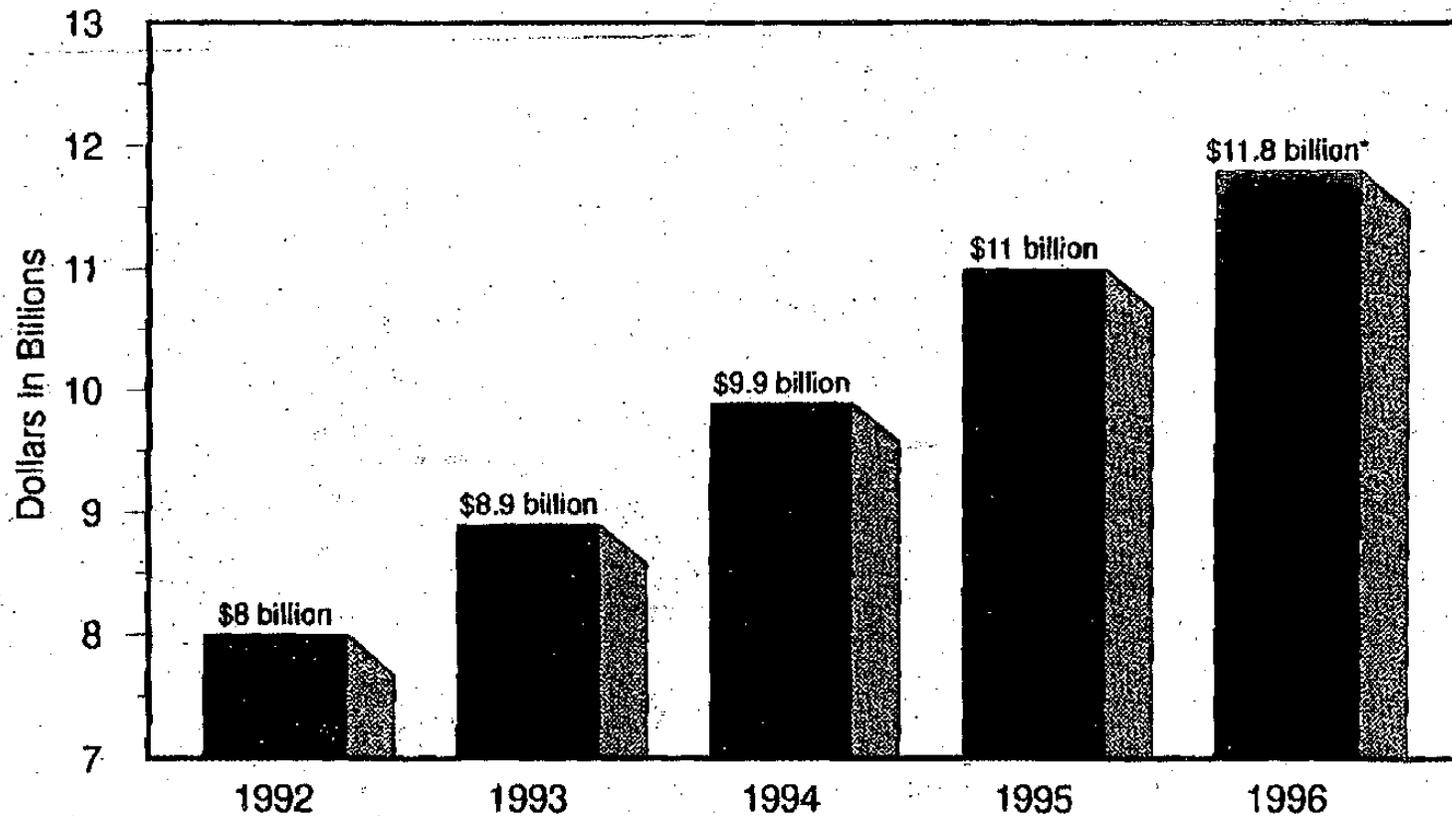
Paternity Establishments Have Increased Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services

*Preliminary Estimate (All Numbers Rounded)

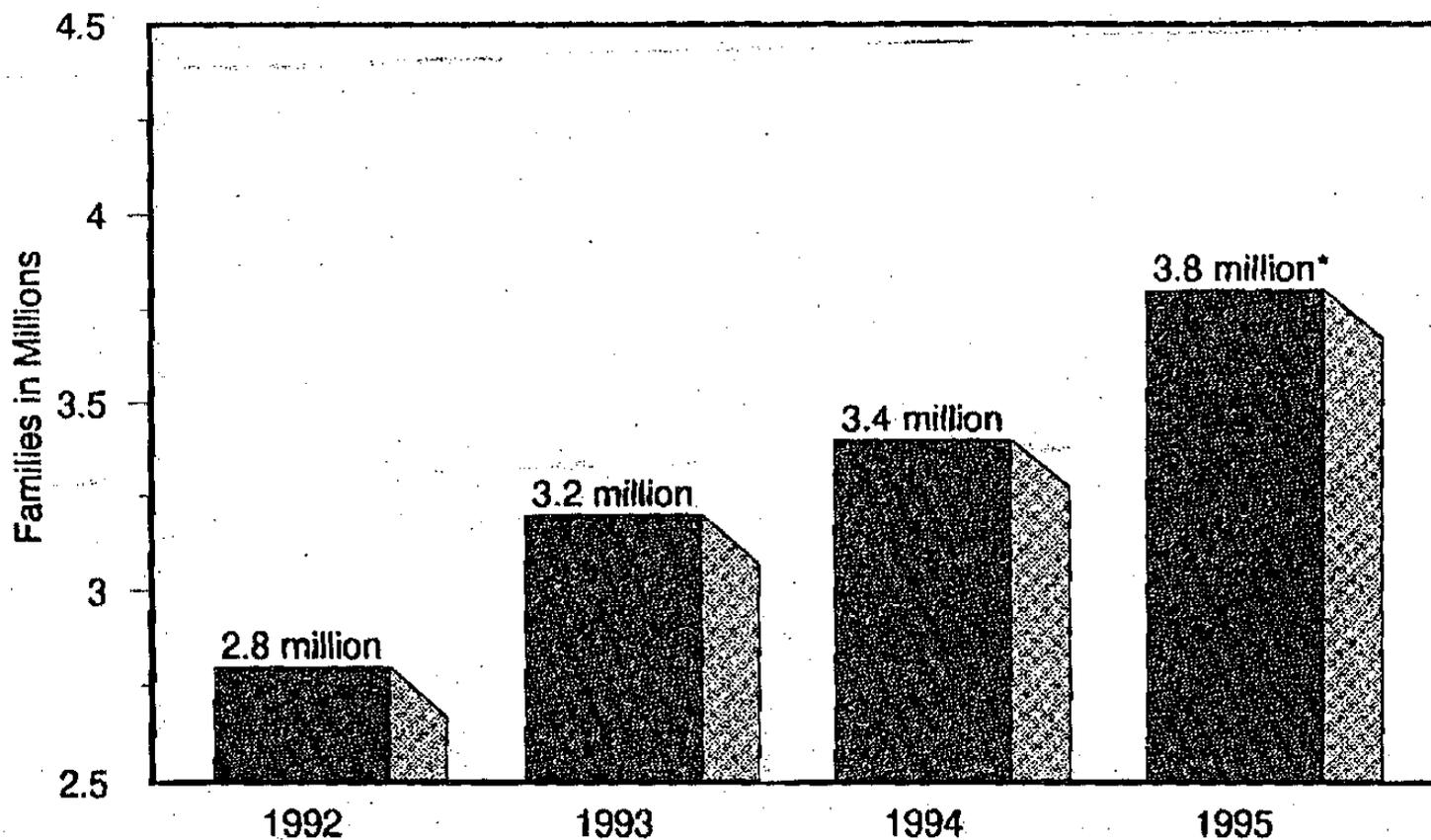
Child Support Collections Have Increased Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services

*Preliminary Estimate

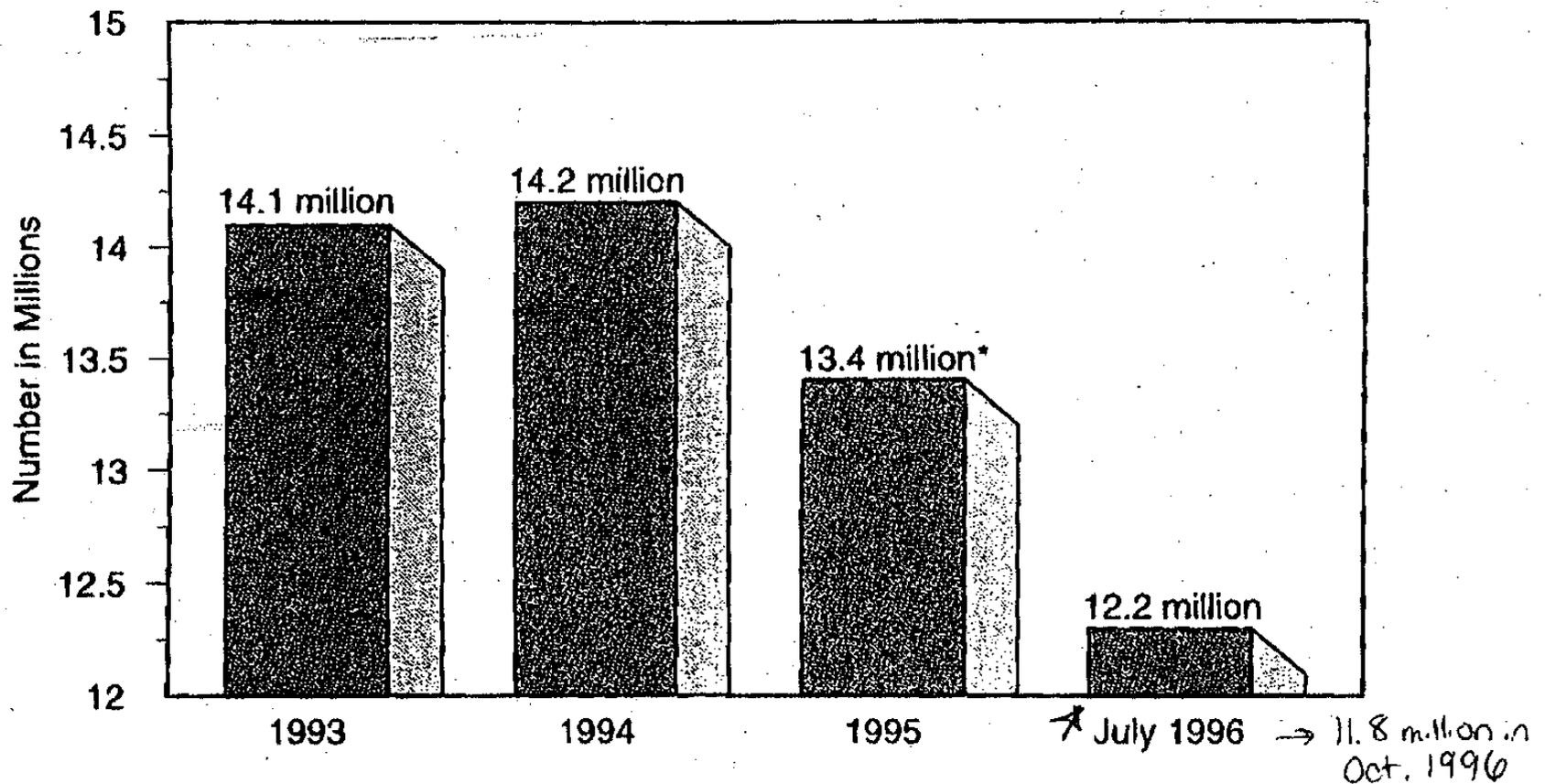
Families Served by Child Support Enforcement Have Increased Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services

*Preliminary Estimate

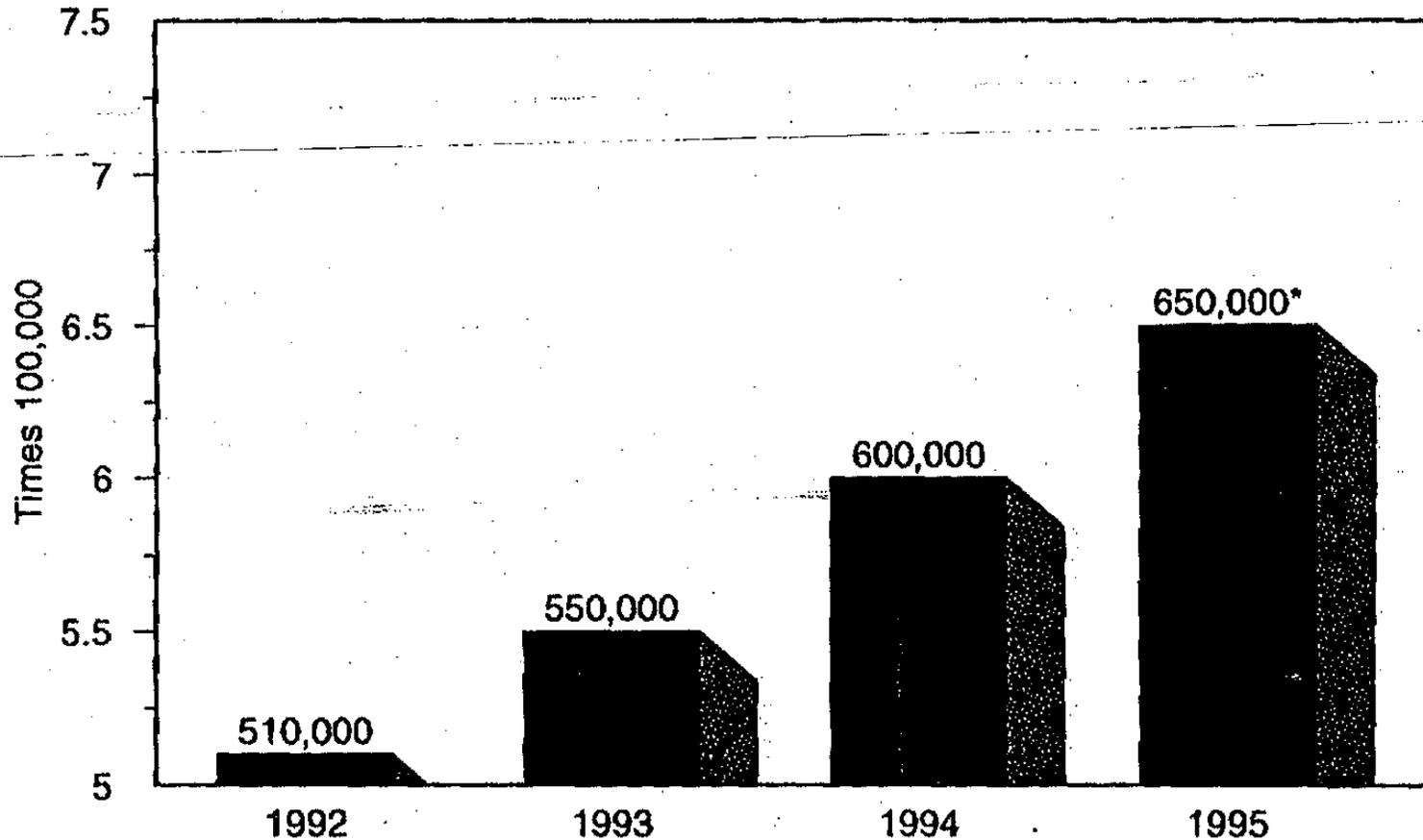
The Total Number of AFDC Recipients Has Declined Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services

*Preliminary Estimate

Work and Training Activities Among AFDC Recipients Have Increased Under the Clinton Administration



Source: Administration for Children and Families, U.S. Department of Health & Human Services

*Preliminary Estimate (All Numbers Rounded)

For Internal Use Only

Work Will Pay More Under Welfare Reform

People On Welfare Who Work Will Be Better Off

Because of the changes we've proposed in the minimum wage and the EITC, the typical welfare recipient will be better off working -- even 20 hours per week -- than she was on welfare.

In Colorado, for example, a young mother with two children receives only \$8000 a year in welfare and Food Stamps, and may never be encouraged to look for work and become independent. But with our new strategy, she will increase her income by more than 50 percent -- to \$12,600 -- even if she only works part-time at the minimum wage. She'll still receive health care for herself and her children. She'll still receive Food Stamps. She'll get help collecting child support. And she'll get help with child care if she needs it.

People Who Move From Welfare To Work Will Be Better Off

Because of the EITC and minimum wage increase, single parents who are already working will also be better off. A woman working 20 hours a week will see her take-home pay increase from \$10,000 to \$12,600. And a woman working full-time will see her earnings increase from \$12,680 to \$15,700 -- an increase of 25 percent.

APPENDIX II: TEEN BIRTH DATA

In October 1996, the National Center for Health Statistics (NCHS) inaugurated a new statistical series designed to provide more timely release of national and state-level birth statistics (1). These data will provide state and local health officials with a timely first-look at trends in these important measures of their community's health status. NCHS will publish data from the new statistical series on a semi-annual basis. The next report will be issued in early spring of 1997, and will cover the period July 1995-July 1996.

The October release included births for 1995 and U.S. birth rates for teenagers 15-19 years old. The data covered "all races" and white, black, American Indian, Asian or Pacific Islander, and Hispanic subgroups. The October report also provided data on the percent of all births occurring to teenagers in each state, by race and Hispanic origin. Other state-level birth data available from the preliminary report include births to unmarried mothers, low birth weight, prenatal care beginning in the first trimester, and births by cesarean delivery.

After NCHS completes final processing of birth data for a given year, additional, more-detailed statistical tabulations can be produced. In December 1996, NCHS published a report of state-level birth rates for teenagers which is included in this appendix (2). The report includes data for teenage subgroups 15-19, 15-17, and 18-19 years, and by race and Hispanic origin of the mother. The report describes the recent declines in U.S. birth rates for teenagers and the extent to which rates in individual states have also declined. The December report focuses on the period 1990-94. NCHS expects to update this report with rates for 1995 in late spring of 1997.

Reports showing state-level data in conjunction with national statistics can be very useful for state and local public health and other officials as they monitor trends in their states and compare them with trends in neighboring states. In addition, the rates in NCHS' teen birth rate report can help to assess the extent to which programs to reduce teenage pregnancy are succeeding. To assist in the comparison of state-level data, the December report includes maps of teen birth rates, showing the various levels of the rates as well as the 1991-94 trend in the rates.

The authors also note that some of the differences in overall rates by state reflect differences in the composition of the teenage populations by race and Hispanic origin, since birth rates for Hispanic and black teenagers are more than double the rates for non-Hispanic white teenagers. To examine state variations while controlling for population differences in race and ethnicity, the report includes standardized birth rates for each state. The standardized rates for many states with high Hispanic or black populations are lower than the actual rates.

Note on Teen Pregnancy Data:

HHS has published national estimates of teenage pregnancy for the years 1976-92. National data on teen pregnancy are updated on a regular basis as soon as the required data on births and estimates for abortions and fetal losses can be assembled for a given year. National rates for 1993 and 1994 are expected to be available in 1997. State-level teen pregnancy statistics have been published for 1980 and 1990-92. Updates of state rates for 1993 and 1994 are anticipated for 1997.

- (1) Rosenberg HM, Ventura SJ, Maurer JD, Heuser RL, Freedman MA. Births and Deaths: United States, 1995. *Monthly Vital Statistics Report*, Vol. 45, No. 3, Supplement 2. Hyattsville, Maryland: National Center for Health Statistics. 1996.
- (2) Ventura SJ, Clarke SC, Mathews TJ. Recent Declines in Teenage Birth Rates in the United States: Variations by State, 1990-94. *Monthly Vital Statistics Report*, Vol. 45, No. 5, Supplement. Hyattsville, Maryland: National Center for Health Statistics. 1996.

Table 1. Births and birth rates for teenagers 15-19 years, by age and race of mother: United States, 1970-84

[Birth rates per 1,000 women in specified group]

Year	All races ¹			White			Black		
	Total	15-17 years	18-19 years	Total	15-17 years	18-19 years	Total	15-17 years	18-19 years
Number of births									
1994	505,488	185,169	310,319	348,081	126,388	221,693	140,968	62,663	78,405
1993	501,003	190,535	310,558	341,817	121,309	220,508	143,153	63,156	79,997
1992	505,415	187,549	317,866	342,739	118,788	223,953	146,800	63,002	83,798
1991	519,577	188,226	331,351	352,359	118,809	233,550	150,956	63,571	87,385
1990	521,826	183,327	338,499	354,482	114,934	239,548	151,813	62,681	86,732
1989	506,503	181,044	325,459	340,472	111,736	228,736	150,699	63,832	86,887
1988	478,353	178,624	301,729	323,830	109,739	214,091	140,608	61,856	78,752
1987	462,312	172,591	289,721	315,464	108,592	206,872	134,050	59,361	74,689
1986	461,905	168,672	293,333	317,970	107,177	210,793	131,584	57,003	74,591
1985	467,485	167,789	299,696	324,690	107,993	216,697	130,857	55,658	75,201
1984	469,582	166,744	302,838	326,301	106,782	219,519	131,497	55,932	75,665
1983	489,286	172,673	316,613	343,199	111,163	232,036	133,863	57,332	78,621
1982	513,758	181,162	332,596	363,742	117,844	246,098	137,456	59,362	78,094
1981	527,392	187,397	339,995	375,432	122,561	252,871	140,344	60,944	79,400
1980	552,161	198,222	353,939	393,664	129,341	264,223	147,378	65,089	82,309
1979	549,472	200,137	349,335	383,807	127,970	265,837	152,805	67,728	85,077
1978	543,407	202,661	340,746	380,080	130,957	249,103	151,001	67,317	83,684
1977	559,164	213,798	345,366	392,183	138,223	253,960	155,190	71,182	84,008
1976	558,744	215,493	343,251	389,275	139,901	253,374	153,836	71,429	82,507
1975	582,238	227,270	354,968	410,129	148,344	261,785	161,044	74,946	86,098
1974	695,449	234,177	361,272	420,162	152,257	267,905	164,430	77,947	86,483
1973	604,096	238,403	365,693	424,833	153,416	271,417	168,773	81,168	87,616
1972	616,280	236,641	379,639	433,886	150,887	283,089	172,340	82,217	80,132
1971	627,842	226,298	401,644	446,726	143,806	302,920	171,684	79,238	82,446
1970	644,708	223,590	421,118	463,608	143,846	319,962	171,826	76,882	84,944
Birth rate									
1994	58.9	37.6	81.5	51.1	30.7	82.1	104.5	76.3	148.3
1993	59.6	37.8	92.1	51.1	30.3	82.1	108.6	79.8	151.9
1992	60.7	37.8	94.5	51.8	30.1	83.8	112.4	81.3	157.9
1991	62.1	38.7	94.4	52.8	30.7	83.5	115.5	84.1	158.6
1990	59.9	37.5	88.6	50.8	29.5	78.0	112.8	82.3	152.9
1989	57.3	36.4	84.2	47.9	28.1	72.9	111.5	81.9	151.8
1988	53.0	33.6	79.9	44.4	26.0	69.6	102.7	75.7	142.7
1987	50.6	31.7	78.5	42.5	24.6	68.9	97.8	72.1	135.8
1986	50.2	30.6	79.6	42.3	23.8	70.1	95.8	69.3	135.1
1985	51.0	31.0	79.6	43.3	24.4	70.4	95.4	69.3	132.4
1984	50.6	31.0	77.4	42.9	24.3	68.4	94.1	69.2	128.1
1983	51.4	31.8	77.4	43.9	25.0	68.8	93.9	69.6	127.1
1982	52.4	32.3	79.4	45.0	25.5	70.8	94.3	69.7	128.9
1981	52.2	32.0	80.0	44.9	25.4	71.5	94.6	69.3	131.0
1980	53.0	32.5	82.1	45.4	25.5	73.2	97.8	72.5	135.1
1979	52.3	32.3	81.3	43.7	24.7	71.0	101.7	75.7	140.4
1978	51.5	32.2	79.8	42.9	24.9	69.4	100.9	75.0	139.7
1977	52.8	33.9	80.9	44.1	26.1	70.6	104.7	78.6	142.9
1976	52.8	34.1	80.5	44.1	26.3	70.2	104.9	80.3	142.5
1975	55.6	36.1	85.0	46.4	28.0	74.0	111.8	85.8	152.4
1974	57.5	37.3	88.7	47.9	28.7	77.3	116.5	90.0	158.7
1973	59.3	38.5	91.2	49.0	29.2	79.3	123.1	96.0	166.8
1972	61.7	39.0	96.9	51.0	29.3	84.3	129.8	99.6	179.5
1971	64.5	38.2	105.3	53.6	28.5	92.3	134.5	99.4	192.6
1970	69.3	38.8	114.7	57.4	29.2	101.5	140.7	101.4	204.9

¹Includes races other than white and black.

NOTE: Figures for 1970-79 are by race of child. See Technical notes.

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Table 2. Birth rates for teenagers 15-19 years by age: United States and each State, 1990-94

[Rates per 1,000 women in specified group]

State	15-19 years					15-17 years					18-19 years				
	1994	1993	1992	1991	1990	1994	1993	1992	1991	1990	1994	1993	1992	1991	1990
United States	58.9	59.6	60.7	62.1	59.9	37.8	37.8	37.8	38.7	37.5	91.5	92.1	94.5	94.4	86.6
Alabama	72.2	70.5	72.5	73.9	71.0	50.8	48.2	46.3	47.7	47.4	103.4	102.3	109.9	109.5	101.4
Alaska	55.2	56.8	63.9	65.4	65.3	32.3	33.4	34.5	35.3	31.2	80.0	91.6	109.6	111.7	120.0
Arizona	78.7	79.8	81.7	80.7	75.5	50.2	49.6	61.2	51.4	47.7	123.5	126.4	128.3	122.6	111.6
Arkansas	76.3	73.9	75.5	79.8	80.1	48.8	45.9	46.8	49.4	50.4	117.1	114.7	117.1	122.6	120.7
California	71.3	72.7	74.0	74.7	70.6	45.5	45.4	46.1	46.8	44.6	110.8	112.3	116.0	113.6	104.3
Colorado	64.3	55.2	68.4	58.2	54.5	34.3	34.9	36.7	35.3	33.1	85.7	86.6	91.5	91.4	82.9
Connecticut	40.3	39.2	39.4	40.4	38.8	28.9	28.4	25.9	26.3	26.4	58.2	58.4	59.3	59.4	53.9
Delaware	60.2	59.7	59.6	61.1	54.5	44.6	39.2	43.6	40.3	38.4	62.9	69.4	82.0	67.1	71.4
District of Columbia	114.7	128.8	116.1	114.4	93.1	87.9	102.1	88.6	102.8	88.4	151.0	162.8	148.1	125.5	96.7
Florida	64.4	64.8	66.3	68.8	69.1	42.4	42.1	42.2	44.0	44.9	98.3	98.6	101.6	102.9	100.6
Georgia	71.7	73.0	74.5	76.3	75.5	48.5	48.9	48.4	50.6	50.1	107.4	108.4	111.6	110.9	106.5
Hawaii	53.5	63.0	53.5	58.7	61.2	31.7	29.7	31.5	34.7	32.5	83.6	85.0	83.1	91.5	102.0
Idaho	46.6	50.7	51.7	53.8	50.8	27.0	28.4	28.5	28.3	26.3	76.4	83.2	87.8	90.8	84.8
Illinois	62.8	63.0	63.6	64.8	62.9	41.1	41.4	40.3	40.8	40.1	86.7	96.1	86.7	99.1	93.3
Indiana	57.9	58.6	58.7	60.5	58.6	34.9	34.4	34.6	35.2	35.3	82.4	94.0	93.7	95.2	87.8
Iowa	39.7	41.1	40.8	42.6	40.5	22.7	23.1	21.0	22.8	20.4	66.6	69.3	72.3	71.5	65.7
Kansas	63.5	59.7	55.7	55.4	56.1	30.3	31.0	30.3	29.4	30.4	90.1	94.3	95.6	94.1	89.8
Kentucky	64.5	64.0	64.7	68.9	67.6	39.7	38.6	38.6	42.6	40.8	102.1	100.2	103.0	105.5	103.0
Louisiana	74.7	75.1	78.5	76.1	74.2	51.3	52.6	52.4	51.1	48.5	109.6	110.9	112.2	111.4	106.9
Maine	35.5	37.1	39.8	43.5	43.0	18.1	20.0	21.2	23.8	23.3	62.6	62.8	66.8	70.1	68.8
Maryland	49.7	50.1	50.7	54.3	53.2	32.5	33.8	32.8	35.2	33.5	76.5	74.5	76.6	79.8	78.4
Massachusetts	37.2	37.8	38.0	37.8	35.1	23.7	23.6	24.7	25.2	23.7	57.3	58.1	56.0	62.9	47.0
Michigan	52.1	53.2	56.5	59.0	59.0	31.6	32.8	33.6	35.5	36.0	83.8	83.6	89.8	91.1	88.8
Minnesota	34.4	35.0	36.0	37.3	36.3	19.8	20.4	20.6	20.7	19.9	57.9	57.8	60.0	61.4	57.6
Mississippi	83.0	83.3	84.2	85.6	81.0	58.2	57.6	59.1	50.1	57.5	120.2	121.2	120.6	120.4	111.0
Missouri	59.0	58.8	63.2	64.5	62.8	35.4	36.6	38.2	38.7	39.3	96.2	95.2	100.8	100.7	93.0
Montana	41.2	45.7	46.2	46.7	48.4	22.1	26.5	25.8	23.6	24.0	72.1	76.3	78.3	83.0	85.8
Nebraska	42.8	40.5	41.1	42.4	42.3	24.2	22.7	22.8	23.6	23.0	70.8	66.8	64.5	69.2	68.0
Nevada	73.6	73.4	71.4	75.3	73.3	46.6	44.9	42.7	43.9	42.5	116.2	117.1	113.9	119.1	115.1
New Hampshire	30.1	30.7	31.3	33.3	33.0	14.5	14.7	14.8	17.1	17.1	55.2	55.0	54.4	53.8	51.3
New Jersey	39.3	38.1	39.2	41.6	40.5	25.6	25.1	24.4	26.3	24.4	60.6	57.6	61.0	62.9	62.4
New Mexico	77.4	81.1	80.3	79.8	78.2	51.7	53.6	51.5	50.0	46.9	118.4	123.7	124.1	124.4	124.2
New York	45.8	45.7	45.3	46.0	43.6	29.8	29.8	29.0	29.1	27.5	70.1	69.4	69.3	68.0	63.4
North Carolina	66.3	66.8	69.5	70.5	67.6	43.5	42.9	43.8	46.2	44.9	100.3	101.4	105.6	101.7	94.4
North Dakota	34.6	36.9	37.3	35.6	35.4	15.4	17.6	17.8	18.1	15.6	65.5	67.4	68.3	62.4	62.3
Ohio	55.0	56.8	58.0	60.5	57.9	33.7	34.8	34.9	36.2	34.3	87.4	89.2	91.5	93.8	88.1
Oklahoma	65.9	68.6	69.9	72.1	68.8	40.5	40.5	41.1	41.7	38.8	104.9	111.2	113.3	115.6	104.3
Oregon	50.7	51.2	53.2	54.9	54.6	30.1	30.2	30.3	31.3	30.7	83.5	84.4	89.6	90.7	87.9
Pennsylvania	43.8	44.3	45.2	46.9	44.9	28.0	28.4	28.7	29.2	28.4	68.0	68.0	68.9	70.5	64.9
Rhode Island	47.7	49.8	47.5	45.4	43.9	32.2	33.5	29.7	30.1	31.6	71.5	73.6	72.1	63.6	55.7
South Carolina	66.5	66.0	70.3	72.9	71.3	45.7	43.6	45.8	48.0	47.0	96.9	97.8	104.6	105.4	101.4
South Dakota	42.8	44.3	48.3	47.5	46.8	23.0	24.9	26.9	26.3	23.8	74.1	74.7	81.9	79.2	78.7
Tennessee	71.0	70.2	71.4	75.2	72.3	43.2	43.4	44.6	47.8	45.0	113.5	109.7	109.5	112.1	107.3
Texas	77.6	78.1	78.9	78.9	75.3	51.8	51.3	51.1	50.4	48.0	116.4	117.8	120.2	119.3	112.2
Utah	42.7	44.5	45.3	48.2	48.5	24.9	25.7	26.1	27.0	26.3	70.4	74.0	78.4	78.8	78.7
Vermont	33.0	35.2	35.6	39.2	34.0	16.5	17.0	17.3	21.3	19.5	58.7	62.8	62.0	62.0	49.6
Virginia	50.7	49.8	51.8	53.5	52.9	31.2	30.8	31.0	31.8	32.1	78.8	76.7	80.1	81.2	77.7
Washington	48.2	50.2	50.9	53.7	53.1	28.5	28.3	30.8	31.0	29.5	78.9	82.2	81.5	86.5	84.4
West Virginia	64.3	55.6	56.0	57.8	57.3	32.5	33.5	32.4	32.4	33.0	87.0	86.2	90.7	93.2	89.9
Wisconsin	38.8	41.1	42.1	43.7	42.6	23.0	23.9	23.9	24.8	24.2	63.6	67.5	70.1	71.2	66.1
Wyoming	48.2	49.6	49.6	54.2	56.3	24.9	26.9	24.8	26.4	26.7	86.4	86.0	89.8	86.6	96.1

NOTES: Rates for 1990-92 were previously published. 1991-92 (ages 15-19 only): CDC, "State-Specific Pregnancy and Birth Rates Among Teenagers—United States, 1981-1992." MMWR 41(37):677-64, 1996. 1990: Clarke SC, Vennart GJ. Birth and Fertility Rates for States: United States, 1990. National Center for Health Statistics. Vital Health Stat 21(52), 1994.

Table 3. Birth rates for teenagers 15–19 years by age, race, and Hispanic origin of mother: United States, 1990–94

[Rates per 1,000 women in specified group]

Year	15–19 years			15–17 years			18–19 years		
	Hispanic ¹	Non-Hispanic White	Black	Hispanic ¹	Non-Hispanic White	Black	Hispanic ¹	Non-Hispanic White	Black
1994	107.7	40.4	104.5	74.0	22.8	76.3	158.0	67.4	148.3
1993	106.8	40.7	108.6	71.7	22.7	79.8	159.1	67.7	151.9
1992 ²	107.1	41.7	112.4	71.4	22.7	81.3	159.7	69.8	157.9
1981 ²	106.7	43.4	115.5	70.6	23.6	84.1	158.5	70.5	158.6
1990 ³	100.3	42.5	112.8	65.9	23.2	82.3	147.7	66.6	152.9

¹Persons of Hispanic origin may be of any race; see Technical notes.

²Rates estimated for the United States; based on information for 49 States and the District of Columbia, which reported Hispanic origin on the birth certificate; information was not reported for New Hampshire; see Technical notes.

³Rates computed for the total of 48 States and the District of Columbia, which reported Hispanic origin on the birth certificate in 1990; this information was not reported by Oklahoma and New Hampshire. See Technical notes.



ABOARD AIR FORCE ONE

WR
Case load

RECORD YEAR

- * 1.5 mil since Aug '96
- * 1.9 mil in 3 1/2 yrs before that (a record)
- * on course to 2 mil since Aug '96
- * 3.4 mil overall for 4 yrs, 4 mos.
- 24 '90

Totally UNPRECEDENTED = up steadily for
at least 60 yrs

- never been yr of > 1 mil (800k in '92, 500k in '77)
- We've headed for 3rd in row

Why?

- Booming Economy - but we've had worse before
- For 1st time, states making service effort to WTW
- No accident that WI (52), IN (45), TN (49)
MA (43)
- NY + Calif, 45th - 48th only, applied their rule

Budget - 911.5B in immigs
200k+ FS work slots
WTW tax credit



ABOARD AIR FORCE ONE

- Poverty
23

$$\begin{array}{r} 1182 \\ \times 23 \\ \hline 2750 \\ 2364 \\ \hline 27006 \end{array}$$

$$\begin{array}{r} 600 \\ 280 \\ \hline 880 \end{array}$$

$$\begin{array}{r} 260 \\ \times 1078 \\ \hline 780 \end{array}$$

$$\begin{array}{r} 3860 \\ \times 24 \\ \hline 1040 \end{array}$$

24
 (450)
 (800)

$$\begin{array}{r} 3.4 \\ \times 240 \\ \hline 350 \end{array}$$

$$\begin{array}{r} 44 \\ \times 44 \\ \hline 1/3 \end{array}$$

850
 170
 (500)

protection of
 other existing employment laws

Chil Rely

74-95

22.7
21.8
23.8

largest drop since 1976

93-95

largest 2 yr drop since 1968

1 m ¹⁹⁷⁵ 93-95

74 4100

77 250

78 300

79 250

82 800

86 4100

CENTER ON URBAN & METROPOLITAN POLICY
THE BROOKINGS INSTITUTION

The State of Welfare Caseloads in America's Cities: 1999

"The largest American cities are becoming home to a larger and larger share of the national welfare burden."

■ **Welfare caseloads are rapidly declining in America's cities.**

Between 1994 and 1998, the county welfare rolls in 30 of the largest American cities declined by 35 percent.

■ **But these urban welfare rolls are shrinking more slowly than statewide caseloads.**

The states that are home to these counties saw their welfare rolls decline by 44 percent between 1994 and 1998—a rate nearly 10 percentage points faster than the urban county reductions.

■ **At the same time, state welfare caseloads are increasingly concentrated in urban areas.**

Between 1994 and 1998, these counties saw their share of the states' welfare burden grow from 45 to 53 percent.

■ **While these 30 urban counties make up 20 percent of the total U.S. population, they are home to nearly 40 percent of the nation's welfare population, up from 33 percent in 1994.**

THE IMPACT OF WELFARE REFORM IN THE 30 LARGEST U.S. CITIES

National welfare rolls are at their lowest levels in 30 years. Since 1993, the rolls have declined by 44 percent, to just under 8 million people. Many large cities and urban counties have also seen their welfare rolls decline significantly in the past few years. The importance of these declines should not be diminished, but caseload decline does not tell the whole story of welfare reform in America. The largest American cities are becoming home to a larger and larger share of the national welfare burden. In 1996, the urban counties containing the 30 largest cities were home to 20 percent of the total U.S. population; yet in August of 1998, these counties contained 39 percent of the nation's welfare cases, nearly double their share of the general

population. This disparity has only worsened with the implementation of welfare reform. Just four years ago, these counties contained only 33 percent of U.S. welfare cases. Thus, while the absolute numbers are declining, the proportion of national welfare cases is rising in these urban counties, 6 percent since 1994 percentage points.

How is welfare reform playing out in cities? Why are these trends occurring? What is the proper policy response? In an attempt to answer these questions, the Brookings Center on Urban and Metropolitan Policy has been tracking welfare caseloads in some of America's largest cities since 1998 to determine the impact of welfare reform and other demographic trends on urban areas.¹ This survey does not explain where former recipients go when they leave the welfare rolls, nor does it describe the characteristics of the remaining caseload. It does, however, add a more precise spatial dimension to a discussion that frequently focuses



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