

6/19

NOTE TO RAHM EMMANUEL --

Here is a draft set of talking points for McCurry to use on the USCM endorsement at his briefing. After talking to Emily, we're recommending the attached as handouts rather than the draft APWA/NGA/NCSL letter. (It's not addressed to Packwood, and raises an issue - transferring funds between accounts - that we might have to oppose.)

I'm sending these to Emily and Bruce for their approval, and they may have edits - we'll let you know.

Melissa

cc: Bruce Reed
Emily Bromberg

WELFARE REFORM TALKING POINTS - MAYORS RESOLUTION
MONDAY 6/19/95

DRAFT 1

Today the bipartisan U.S. Conference of Mayors, meeting in Miami, passed a resolution endorsing the "Work First" welfare reform plan drafted by Senators Daschle, Breaux and Mikulski. They believe, as the President does, that this proposal can lead to a strong, bipartisan welfare reform bill in the Senate.

The Conference of Mayors now joins other associations representing local officials who have expressed strong reservations about the alternative welfare reform bill drafted by the Senate Finance Committee. Groups such as the National League of Cities, the National Governors Association, the National Association of Counties, and the National Conference of State Legislatures have now told Senator Packwood that his plan falls short in crucial areas.

The President remains committed to working with Congress in a bipartisan way to pass real welfare reform this year - and to giving states the flexibility they need to proceed on their own in the meantime. Today, in fact, the President has written Governor Carper to note the enactment of welfare reform legislation made possible by a waiver of federal rules our Administration granted last month.

The Delaware plan mirrors some of the same proposals in the "Work First" proposal the President endorsed last week - it supports work; protects children; improves child support enforcement; and increases parental responsibility. While the Republican leadership in the Senate seems to be having some trouble reaching a consensus on welfare reform, we hope that they will be willing to sit down with Senators of both parties and move forward soon.

JUN-19-1995 10:02

The Honorable Norman Rice
Mayor of Seattle

The Senate Welfare Reform Bill

- 1) **WHEREAS**, the welfare reform bill reported out of the Senate Finance Committee is not consistent with the existing welfare reform policy of The U.S. Conference of Mayors because, among other things, it eliminates the entitlement status of Aid to Families with Dependent Children, it does not provide sufficient jobs, child care or health care needed to assist welfare recipients to transition to employment, and it has the potential to shift significant costs to local governments; and
- 2) **WHEREAS**, alternative legislation, the Work First Act, has been proposed by Senators Daschle, Breaux and Mikulski and endorsed by the President which would preserve the entitlement status of the program and provide significantly greater assistance which to facilitate the transition from welfare to work; and
- 3) **WHEREAS**, the Work First Act is essentially consistent with the existing welfare reform policy of The U.S. Conference of Mayors,
- 4) **NOW, THEREFORE, BE IT RESOLVED** that The U.S. Conference of Mayors endorses the Work First Act and urges all Senators to support it as an alternative to the Senate Finance Committee bill.

Projected Cost: Unknown



NEWS



FOR IMMEDIATE RELEASE:
June 15, 1995

FOR INFORMATION CONTACT:
Randy Arndt (202) 626-3158

**City Officials Skeptical, Worried About Impacts of Welfare Reform Legislation;
Most Cities Fear Additional Local Burdens; Little Consultation Found in NLC Survey**

Four out of five city leaders (80 percent) fear that federal efforts to redesign welfare programs are likely to shift more of the welfare burden onto local communities. They also are skeptical that many of the heralded outcomes of welfare reform will occur.

A survey conducted by the National League of Cities found that while 20 percent of the cities said they thought current welfare reform proposals would achieve lasting improvements, 50 percent doubted that would happen. Nearly 26 percent felt the proposed changes would encourage and enable individuals and families to better cope for themselves; 38 percent did not think that would occur. Only 14 percent thought the proposed welfare reforms would reduce the number of people in poverty, while 62 percent felt that would not happen.

The NLC survey included 105 cities, 48 with populations above 100,000. The survey was conducted just after the House of Representatives completed action on welfare reform legislation (H.R. 4) and as the U.S. Senate was beginning to draft a welfare reform bill.

Although most cities are not directly involved in administering welfare programs, more than 80 percent of the cities responding to the survey said individuals and families on welfare place a major burden or some burden on local resources for services such as education, emergency assistance and public safety.

"Genuine welfare reform can provide real help to people who really need it, and many of them live in our nation's cities and towns" said NLC President Carolyn Long Banks, councilwoman-at-large of Atlanta. "City leaders throughout America want to help bring about reforms to end welfare as we know it, but that challenge will not be met if one level of government simply transfers responsibilities, but not resources, to another level of government."

(more)

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More than half of the cities said there would be unfavorable impacts resulting from nine changes that are major issues being considered under current welfare reform proposals:

- eliminating guarantees of breakfast and lunches for needy children (85 percent)
- eliminating foster care entitlements for children (82 percent)
- reducing Food Stamp benefits (77 percent)
- not requiring states to provide education or training to those on welfare (74 percent)
- eliminating entitlement to AFDC (73 percent)
- not guaranteeing child care for parents required to work (73 percent)
- prohibiting single mothers under age 18 from receiving cash benefits (67 percent)
- eliminating or reducing Supplemental Security Income benefits (66 percent)
- curtailing benefits to newborns if mothers already receive child benefits (52 percent)

Fewer than one in four cities (22 percent) said their congressional delegation or staff has consulted with them about the likely effects of welfare reforms. Although state governments are designated to assume responsibility for welfare programs under H.R. 4, only 14 percent of the cities said their state government has consulted with them about welfare issues.

"We believe local governments must have an opportunity to work with Congress and the states to design and carry out programs that can be tailored to the needs of the local community," said Danks. "We earnestly hope the Senate will include this role for cities."

When cities were asked to select three issues of most concern to them if they could advise Congress on welfare reform, the top issues selected from a list of major changes were:

- eliminating entitlement to AFDC (49 percent)
- not requiring states to provide education or training to those on welfare (31 percent)
- not guaranteeing child care for parents required to work (30 percent)

The next three issues, each mentioned by 25 percent of respondents, were:

- reducing Food Stamp benefits
- eliminating guarantees of breakfast and lunches for needy children
- eliminating foster care entitlements for children

City leaders broadly supported three goals of proposed welfare reforms, even though many also expressed doubts that the objectives of work requirements would be realized. They anticipated favorable impacts as an intended outcome of:

- improving child support enforcement (82 percent)
- requiring 50 percent of single parents on welfare to obtain jobs by 2003 (64 percent)
- requiring unmarried teenage parents to live at home until age 18 (43 percent)

(more)

- 3 -

Comparing responses about work incentives to the outlook for available jobs illustrates the misgivings of city leaders. While 37 percent agreed that current welfare reform proposals would provide work incentives for welfare recipients in their cities, 27 percent disagreed with that assumption, and others were unsure. When asked whether there would be sufficient job opportunities in their community to employ welfare recipients required to find work, only 31 percent felt the jobs were available, while 40 percent did not think sufficient job opportunities existed, and 29 percent were unsure.

"Achieving the transition from welfare to work involves education, training and support services that will enable working parents to keep a job," said Banks. "Solutions that lack a realistic employment strategy and essential support services are dead-end strategies. They will leave families destitute, and they will create crushing new social and cost burdens on cities.

"If work requirements are written into welfare reform, the National League of Cities believes that measures to provide affordable child care must also be part of the program," Banks added. "We would also like to see initiatives that encourage education and training, so that individuals and parents can aspire to employment opportunities beyond minimum-wage jobs. If our nation is serious about moving from dependence to real self-sufficiency, that's the only way to do it."

More city officials were skeptical than optimistic in their expectations for several aspects of state-administered welfare programs. Twenty-six percent felt their state would do a good job of designing welfare programs, 35 percent disagreed, and 36 percent weren't sure. Twenty-two percent felt their state would do a good job of allocating welfare funding equitably, 38 percent disagreed, and 37 percent weren't sure. Seventeen percent felt their state would do a good job of working with the city in designing programs and allocating funds, 43 percent disagreed, and 37 percent weren't sure.

When asked how current welfare reform proposals would most likely affect a list of 15 community conditions, more than half of the cities anticipated that seven of those would worsen: health status of children (60 percent), homelessness (58 percent), poverty (56 percent), child abuse (56 percent) care for special needs children (55 percent), services to legal immigrants (55 percent), and child care for working mothers (52 percent).

Fewer than 30 percent anticipated that any of the listed conditions would improve, and only in four instances did expectations for improvement exceed concerns of worsening conditions: unemployment (29-vs.-21 percent), out-of-wedlock births (27-vs.-9 percent), teen pregnancy (23-vs.-10 percent), and creating more jobs (21-vs.-11 percent).

NATIONAL CONFERENCE OF STATE LEGISLATURES

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JANE L. CAMPBELL
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PRESIDENT, NCSL

TED FERRIS
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BUDGET COMMITTEE
ARIZONA
STAFF CHAIR, NCSL

WILLIAM POUND
EXECUTIVE DIRECTOR

May 16, 1995

The Honorable Bob Packwood
United States Senate
Russell Office Building, Room 259
Washington, D.C. 20510

Dear Senator Packwood:

We are writing to thank you for your public commitment to state flexibility as a principle in your welfare reform legislation. The National Conference of State Legislatures (NCSL) is especially pleased by your recognition of the critical role of state legislators in welfare reform and other programs that serve children and families. We appreciate your confidence in our ability to design programs that best serve the needs in our states and urge you to consider our views as you finalize your welfare reform legislation.

We are encouraged by your endorsement of providing more discretion to state decisionmakers and rejecting provisions that micromanage and limit state authority to determine eligibility. However, state legislators are concerned about several provisions under consideration that have the potential to limit state authority, shift major costs to the states and violate NCSL's policy on block grants. The balance of this letter specifies our concerns in six major areas. In summary, we urge you to reconsider the consolidation of open-ended entitlements for child protection services, work requirements in the cash assistance block grant, denial of benefits to legal immigrants, the absence of real protection for states to respond to economic change, the consolidation of child care funding, and timing to successfully implement revised programs.

I understand that you are still considering a block grant for child protection funds. State legislators believe that foster care maintenance and adoption assistance payments and administrative funding under Title IV-E must be maintained as an open-ended entitlement. Children in danger cannot be told that the government ran out of money to protect them. We must respond to those who turn to us as a last resort. The demand for these services has not been predicted well at the federal level. No one predicted the damage that HIV infection, crack cocaine and homelessness would do to children's security within their families. No one anticipated the resulting increase in state and federal costs. Courts will decide to remove children from unsafe homes and states must respond to these decisions. We urge you to reject the child protection block grant.

We are disappointed with the prescriptive work and participation requirements in H.R. 4. State legislators are interested in creating our own programs, not running a uniform program with federally-determined program details and fewer funds. We oppose federal micromanagement in the definition of type or work, the role of training, minimum number of hours a recipient must work, and participation rates. These are precisely the decisions each state should make based on local needs. We do support measurement of outcomes and performance data to ensure that program goals are being met.

MAY-17-1995 16:38 FROM ACF/OPA

TO

NCSL strongly opposes the denial of benefits to legal immigrants. The federal government has sole jurisdiction over immigration policy and must bear the responsibility to serve the immigrants it allows to enter states and localities. The denial of benefits will shift the costs to state budgets. Eliminating benefits to noncitizens or deeming for unreasonably long periods will not eliminate the need, and state and local budgets and taxpayers will bear the burden. Denial of services to legal immigrants by states appears to violate both state and federal constitutional provisions. We continue to support making affidavits of support legally binding.

NCSL supports the development of a contingency fund to assist states to respond to changes in population and the economy rather than a loan fund. The absence of adequate protections for states with population growth, economic changes and disasters is a barrier to state support of a cash assistance block grant. We believe that a loan fund is not sufficient assurance of federal assistance. The federal government must participate as a partner in a fund that has a mechanism for budget adjustment so that states are not overly burdened by increased demand for services.

NCSL has been concerned about the lack of coordination of existing child care funding streams. We are interested in working with you to consolidate these funds. Child care is an essential component to support welfare recipients moving from welfare to work and is critical for low-income working families. Our experience suggests that a renewed commitment to work by welfare recipients will require additional child care funds above current levels. A consolidated child care fund should stand alone.

Finally, state legislators will need adequate transition time to successfully implement revised income security and related programs. States will have to modify their laws to comport with new federal legislation, restructure their administrative bureaucracies and revise their FY96 and FY97 budgets that have been enacted on the basis of current law and federal spending guarantees. We urge inclusion of a provision giving states no less than one year of transition time and consideration for additional time for states that meet biennially.

We look forward to working with you throughout this process. Please contact Sheri Steisel or Michael Bird in NCSL's Washington Office to further discuss our views.

Sincerely,



Jane L. Campbell
President, NCSL
Assistant House Minority Leader, Ohio



James I. Lack
President-elect, NCSL
Senator, New York

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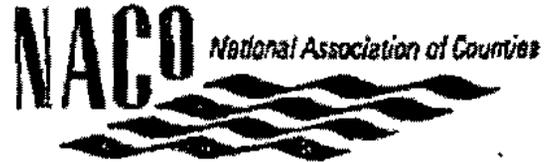
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04/25/95 TUE 15:28 FAX 202 393 2630

NACO

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April 25, 1995

Honorable Robert Packwood
 Chairman
 U. S. Senate Finance Committee
 219 Senate Dirksen Office Bldg.
 Washington, D.C. 20510

Dear Senator Packwood:

Counties are the front-line deliverers of basic social services. In many states, counties have administrative and financial responsibilities for federal and state social services programs. Preliminary estimates from State Associations of Counties that have responded to a recent National Association of Counties (NACO) survey show that counties contribute over \$4 billion to the federal welfare, child welfare, and child support programs, as well as nearly \$1 billion to state general assistance programs.

It is with this experience that counties approach the debate over welfare reform and social service programs. NACO has been a long-time supporter of a comprehensive approach that rewards work, strengthens families, and is supported by sufficient federal resources and local flexibility to train people for jobs that promote long-term self-sufficiency. NACO's Board of Directors adopted an interim resolution and guidelines on welfare reform at our legislative conference in March which include the following concepts:

o Our overriding concern is the protection of children. The federal government must maintain its responsibility to ensure a level of assistance and support services to children and families, and that programs are administered on an equitable basis. Programs such as Aid to Families with Dependent Children, Foster Care and Adoption Assistance, Medicaid, and Food Stamps represent the basic safety net for children. NACO therefore supports maintaining the federal entitlement for these programs.

o Beyond this level of protection the federal government must provide the flexibility to tailor programs to meet local needs. Many of the restrictions in the legislation passed by the House of Representatives go against the concept of state and local flexibility, and have the added consequence of hurting children. These include the family caps, the elimination of eligibility for teenage parents and their children, and reducing benefits to children who have not had paternity established even in cases when the parent is cooperating with the state. NACO supports a different approach to these issues, such as encouraging teenage parents to live with a responsible adult and providing funding for enhanced case management.

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04/25/95 TUE 16:28 FAX 202 303 2830 NACO

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Honorable Robert Packwood

page 2

April 25, 1995

o Another matter of great concern to counties is the denial of benefits to legal immigrants. We believe that this prohibition is unfair to taxpaying legal residents and will result in considerable cost shifting to local and state governments. Los Angeles county, which has the highest concentration of immigrants in the country, has estimated that the denial of Aid to Families with Dependent Children and Supplemental Security Income would represent over \$500 million a year in additional general assistance costs, and this figure does not even include the added cost of denying Medicaid eligibility.

o While NACo generally supports the concept of time-limited assistance we also firmly believe that in order for it to work, there have to be jobs, education and training, and support services available. One of the most basic needs is affordable child care. Neither individuals nor counties and states should be penalized for their failure to move people off the welfare rolls when jobs and child care are not available.

o Arbitrary participation requirements such as those included in the House bill are excessive and counterproductive. Instead, NACo supports mutually negotiated outcome measures in which states are judged by their progress toward achieving these goals. We are also concerned about the bill's definition of required work activities and believe that these should be determined at the state and local level based on the individual's skills and training needs.

o Poorly funded block grants and cuts in benefit eligibility will force county and city governments to bear the unshared cost of caring for families and dealing with the unintended consequences such as increased homelessness, medical expenses, hunger, and crime. If block grants are established, it is imperative that local governments be involved in planning the design and delivery of services that meet the particular needs of local communities. I, therefore, urge you to include language in your bill that provides for a local government role in this process. Block grants also must include adequate time for implementation and some formula for increases, particularly in cases of economic downturns.

o NACo believes that there are a number of categorical programs that could be consolidated to allow for a single funding source. One such area could be a child welfare services block grant that includes the Family Preservation and Support Program, Child Abuse State Grants, and the Title IV-B Child Welfare Services.

o NACo opposes the cap on Medicaid as it will cause a cost shift to the private sector and to local level governments, particularly counties, and also not-for-profit and profit hospitals.

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UNCLAS**Honorable Robert Packwood**

page 3

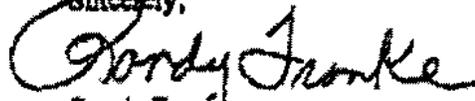
April 25, 1995

I cannot emphasize enough, however, the need to keep the IV-E Foster Care and Adoption Assistance, administration and training as an individual entitlement. These programs are designed to protect our most vulnerable children and provide them a safe and nurturing out-of-home placement. A capped block grant will result in higher caseloads and could put these children in even greater risk.

In closing, I urge you to consider the cumulative effect of all the changes included in the House bill and whether county and state governments can absorb all these changes at once. One such example is the change in the definition of child disability in Supplemental Security Income (SSI). Consider a child who is on SSI but is in out-of-home care due to abuse or neglect. If that child loses SSI eligibility, the cost will be shifted to the foster care system. If foster care is also put in a block grant, this will be an additional burden to counties and states.

I know that you share many of the concerns that I have raised in this letter and understand that the Senate may remove some of the more onerous restrictions from the House bill. I am available to discuss these issues with you in greater detail.

Sincerely,


Randy Franke
President

WELFARE REFORM

Q. Yesterday, the Conference of Mayors endorsed a resolution in support of your approach to welfare reform and the Senate Democratic bill. How do we make sure that Congress passes real welfare reform, and doesn't just dump the problem in our cities' lap?

A. We ought to be able to pass real welfare reform, because there is an overwhelming, bipartisan consensus in this country that we should put people to work, because welfare should be a second chance, not a way of life. The key to real welfare reform is moving people to work, not just cutting them off. I have given 29 states the freedom to experiment with their own approaches to welfare reform, and the common thread in every one of those waivers is work. If we're going to reform welfare, work has to be our top priority.

We can reach a bipartisan agreement on this, as you have done, if we put work at the center of our efforts, and don't try to do welfare reform on the backs of the children. One of the things that frustrates me most about Washington that's different from the rest of the country is that a few people on the fringe are willing to hold up big, important changes over narrow, extreme differences. That's what's happening in the Senate right now: a handful of members threatening to stop welfare reform unless it places an outright ban on assistance to young unmarried mothers and their children -- even though the Catholic Church, the National Governors Association, and most Americans without regard to party strongly oppose that idea. We can achieve real reform. But if we're going to get it, we need more bipartisan cooperation and less extremist threats.

Update for
Press Conf.
- Tue Mon 3pm

WELFARE REFORM

① Q. What do you think of the House Republican welfare reform bill? Would you sign it?

A. I am committed to working across party lines to enact a bill this year that will end welfare as we know it. But I was disappointed that Republicans in the House were more intent on just cutting people off and punishing them for their mistakes than in moving people from welfare to work. If we're going to end welfare as we know it, we should be tough on work and tough on deadbeats, not tough on children.

② Q. Your administration has not submitted its own welfare reform plan this year. What kind of plan do you support?

A. I'm proud of the bill we put forward last year. It was the toughest, most comprehensive welfare reform plan any administration has ever proposed. When the dust settles, I believe a number of our provisions on child support enforcement, work, and teen pregnancy will become law.

We're working with members of Congress and governors in both parties to enact a bill that fulfills the fundamental principles at the core of my plan: Real welfare reform should be serious about moving people into work, and requiring anyone who can work to go to work. It should demand responsibility from both parents, with the toughest possible child support enforcement. It should discourage teen pregnancy and send a clear signal that it is wrong to have children outside marriage. And it shouldn't punish children for their parents' mistakes.

③ Q. Can you sign a bill that does not contain an individual entitlement?

A. I believe in giving states ^{much more} a lot more flexibility -- I've given waivers to 25 states, more than any other President. But as a former governor, I also know that we won't have real welfare reform if all Congress does is shift costs to the states or pass the buck from one bureaucracy to another without transforming the welfare system. We have a national interest in work, responsibility, and the well-being of our children, and we ought to set clear national goals and give states the chance to meet those goals without top-down micromanagement from Washington.

The House bill would be very tough on the high growth states

Follow up
The whole point of us is to end welfare as we know it. Nobody who can work is entitled to something for nothing. But people we shouldn't just cut people off. we should move them from welfare to work, and we should make sure states have the chance to provide childcare and help people need to make it in the marketplace.

⑤ Q. You were the one to call for ending welfare as we know it -- but hasn't this welfare reform debate passed you by?

A. I look forward to working with Congress to pass a good bipartisan bill. As a governor, I worked with a Democratic Congress and a Republican President to pass the Family Support Act.

But I'm not waiting for Congress. In the past two years, I have given ²⁷25 states -- half the country -- the freedom to cut through federal red tape and regulations and try innovative new approaches to welfare reform. That's more waivers in two years than my two Republican predecessors did in 12 years.

My Administration has broken every record in collecting child support, which is the essential to getting people off welfare and helping them stay off. A few weeks ago, I signed an executive order to make sure that federal employees who owe child support have to pay it. And I am going to keep pressing Congress to send me a welfare reform bill that is tough on work, tough on child support, and good for our children.

Q. Do you support the Republicans' new plan to block grant food stamps for states that do electronic benefits transfer?

A. I am a strong supporter of electronic benefits transfer, and along with Vice President Gore, I have been pushing more states to adopt it as a way to empower people, cut bureaucracy, and reduce fraud. But the Republicans seem less interested in reform than in cutting the heart out of our longstanding bipartisan commitment to make sure children in America get enough to eat. School lunch and other nutrition programs have done a great deal to eliminate hunger in America, and Republicans are wrong to try to pay for their Contract by asking poor children to eat less.

Q.

② Q. What do you think of ^{recent} today's reports that Republican governors are pushing a Senate bill that would modify some of the tougher aspects of the House bill?

A. Any governor, Republican or Democrat, would be crazy to support the House bill. It's weak on work, tough on kids, and would cost the states a fortune. I'm glad to see that even the most conservative Republican governors are joining me and the Catholic Church in saying that we shouldn't punish innocent children for their parents' mistakes. This is a step in the right direction, but we've got a long way to go. If we're going to truly end welfare as we know it, we've got to pass a bipartisan welfare reform bill that is tough on work and does right by children.

Welfare reform talking points
4/19/95

Q: Why did the President single out the Brown/Dole welfare reform bill last night? Is there something in particular that he likes about it?

A: The point the President is making is simple: the possibility of a bipartisan agreement on welfare reform is very real -- if Congress is willing to put aside politics as usual. The bill introduced by Senators Dole, Brown, Gramm and Packwood last year - which attracted broad Republican support -- included time limits for welfare recipients, strict work requirements, additional resources for states to help move people from welfare to work, protections for states and children in times of recession, and state flexibility rather than conservative mandates on issues like benefits for teen mothers. Those provisions are similar to those the President has outlined in his own proposal, and similar to legislation cosponsored last year by 163 Republican members of the House of Representatives.

Q: Is it realistic to challenge Congress to pass a bill by July 4, and to keep it out of the reconciliation legislation, as many Republicans in Congress have already proposed? And what will the President do to force Congress to act on welfare reform separately?

A: We believe it is possible, as long as politics doesn't control the debate - and in fact, Rep. Clay Shaw said last night that July 4 is "a very realistic date." As the President said, welfare reform is too important for the typical kind of Washington game where important issues like welfare reform are buried in a larger budget bill. The debate on an issue this important should be open, and should be bipartisan. After all, in the Senate experts like Senator Moynihan should be part of the process, and we think he will be.

On your second question, the President will continue to urge members of both parties to work together on welfare reform in the weeks ahead. He'll continue to highlight areas of agreement, like time limits, work requirements, and child support enforcement. And he'll continue to "end welfare as we know it" for states, by granting waivers to governors of both parties, as he did yesterday. This does not have to be a partisan issue.

WELFARE REFORM

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Q. What do you think of the House Republican welfare reform bill? Would you sign it?

A. I am committed to working across party lines to enact a bill this year that will end welfare as we know it. But I was disappointed that Republicans in the House were more intent on just cutting people off and punishing them for their mistakes than in moving people from welfare to work. They cut school lunches -- and they even go after disabled children. If we're going to end welfare as we know it, we should be tough on work and tough on deadbeats, not tough on children.

Q. Can you sign a bill that does not contain an individual entitlement?

A. I believe in giving states much, much more flexibility -- I've given waivers to 27 states, more than any other President. But as a former governor, I also know that we won't have real welfare reform if all Congress does is shift costs to the states or pass the buck from one bureaucracy to another without transforming the welfare system. The House bill would be very tough on high-growth states, and any state would be out of luck in a recession. We have a national interest in work, responsibility, and the well-being of our children, and we ought to set clear national goals and give states the chance to meet those goals without top-down micromanagement from Washington.

[IF PRESSED:] As I've said, we need to end welfare as a way of life. Nobody who can work is entitled to something for nothing. But we shouldn't just cut people off. We should move them from welfare to work -- and make sure states are in a position to provide the child care and other help people need to make it in the workplace.

Q. Your administration has not submitted its own welfare reform plan this year. What kind of plan do you support?

A. I'm proud of the bill we put forward last year. It was the toughest, most comprehensive welfare reform plan any administration has ever proposed. When the dust settles, I believe a number of our provisions on child support enforcement, work, and teen pregnancy will become law.

We're working with members of Congress and governors in both parties to enact a bill that fulfills the fundamental principles at the core of my plan: Real welfare reform should be serious about moving people into work, and requiring anyone who can work to go to work. It should demand responsibility from both parents, with the toughest possible child support enforcement. It should discourage teen pregnancy and send a clear signal that it is wrong to have children outside marriage. And it shouldn't punish children for their parents' mistakes.

Q. You were the one to call for ending welfare as we know it. What are you doing to influence this debate?

A. I look forward to working with Congress to pass a good bipartisan bill. As a governor, I worked with a Democratic Congress and a Republican President to pass the Family Support Act.

But I'm not waiting for Congress. In the past two years, I have given 25 states -- half the country -- the freedom to cut through federal red tape and regulations and try innovative new approaches to welfare reform. That's more waivers in two years than my two Republican predecessors did in 12 years.

My Administration has broken every record in collecting child support, which is the essential to getting people off welfare and helping them stay off. A few weeks ago, I signed an executive order to make sure that federal employees who owe child support have to pay it. And I am going to keep pressing Congress to send me a welfare reform bill that is tough on work, tough on child support, and good for our children.

My bill ~~is~~

~~I think maintaining entitlement would be right thing to do~~

I would veto that there bill it's not a real stopgap bill

Let's put this in terms ordinary people can understand

- 2 things matter most in WR

- ① ^{Require people to work} ~~Require people to work~~
- ② Fair to children

I would veto the House bill bc it fails those tests

~~A flat out blockade just would~~ ^{not}

~~It doesn't have real WR ^{it} ~~and~~ ^{it} ~~gives states more power~~ ^{less}~~

~~I'm trying to let WR be an excuse in their budget process~~

our flexibility but ~~we~~ ^{we} shouldn't use WR as an excuse to ship all our

~~we~~ ^{we} shouldn't just ~~shift~~ ^{shift} costs & probes to the states.

My bill didn't do that. Sen. Dole's bill last yr didn't do that.
Even the GOP ~~to~~ didn't do that.

5/12.

NOTE TO RAHM AND BRUCE --

Here's a first draft of the Q and A we discussed this morning. I'm now being told that Packwood will not unveil his bill on Monday, but will just be talking about welfare reform in general terms -- so this is probably way too specific. But why don't you take a look at it, and we can discuss Monday morning.

Have a good weekend --

Melissa

Q: What does the Administration think of the Senate Republicans' welfare bill unveiled by Senator Packwood today?

A: We have not yet reviewed the legislation, so it remains to be seen whether or not it meets the President's criteria for real welfare reform. As the President has said, our requirements are simple and clear. We want a bill that includes real work requirements; that contains the incentives and the resources for states to get the job done; and that requires personal responsibility of both parents. That means welfare reform legislation must include personal responsibility agreements to be sure single mothers are moving toward work from the very first day, and tough child support enforcement provisions to ensure that fathers aren't allowed to walk away from their obligations.

Measured against that yardstick, the Senate plan is a step forward. For example, it deletes the House ban on assistance to teenage mothers. But on work, it still falls far short in terms of providing real incentives for states to move people from welfare to work. It's also important to point out that Republicans in Congress are still confusing budget cutting with welfare reform. The bill passed by the House of Representatives was both tough on children and phony about work. It slashed \$68 billion from programs that serve needy children in order to pay for a tax cut for the rich. The Senate bill does seem to be an improvement, and if members of the Senate want to work with us in a bipartisan way, we're certainly open to that.

5/16/95

DRAFT Q AND A
PACKWOOD WELFARE BILL

Q: What does the Administration think of the Senate Republicans' welfare bill unveiled by Senator Packwood ~~today?~~ *yesterday?*

*He hasn't shown a bill to us or to his Sen. colleagues.
He has come the Pres's way on some issues, like not cutting off benefits for young women mothers, a part of the bill part of real work is*

A: According to today's press reports, ~~he hasn't drafted legislation yet, or shown it to members of the Finance Committee. So until we see a bill, it's impossible to say whether or not it meets the President's criteria for welfare reform.~~ In particular, Senator Packwood has yet to put forward any details about what should be the centerpiece of any welfare reform bill: moving people from welfare to work. It's also important to note that he has not said anything at all about child support enforcement, which we consider crucial to real welfare reform. So the jury's still out.

FOLLOW UP --

Q: But isn't the bill an improvement over the House bill? (Or conversely, wouldn't the President still veto this bill because it doesn't retain the entitlement to welfare benefits?)

A: As the President has said, our requirements for welfare reform are simple and clear. We want a bill that includes real work requirements; that contains the incentives and the resources for states to get the job done; that doesn't punish children for their parents' mistakes; and that requires personal responsibility of both mothers and fathers. That means welfare reform legislation ~~must include~~ personal responsibility agreements to be sure people are moving toward work from the very first day, and tough child support enforcement provisions to ensure that parents aren't allowed to walk away from their obligations.

incentives that reward states for moving people to work, not ~~just~~ cutting them off; tough CSE; and

FIRST DRAFT
WELFARE THEMES
5/18

REAL WORK REQUIREMENTS. Real welfare reform is first and foremost about work -- and the system must provide work-based incentives for states, caseworkers, and welfare recipients themselves. States must have the necessary resources for education, training, work and child care in order to get the job done. State bureaucracies should be rewarded for getting people to work or prepare for work -- not for cutting people from the rolls. Recipients must sign personal responsibility agreements, and move toward work and self-sufficiency from the very first day. Time limits must make clear to welfare recipients and caseworkers that welfare is a transitional system.

PARENTAL RESPONSIBILITY. Child support enforcement is a crucial part of welfare reform, because it sends a strong signal to young people about the responsibility of both parents to the children they bring into the world. If we're going to demand responsibility of mothers, we should demand responsibility of fathers too. That means welfare reform should include measures designed to identify the father in every case; find delinquent parents who move from job to job or state to state to avoid paying child support; speed up payments; and invoke tough penalties, like drivers license revocation, for nonpayment.

KIDS NOT PUNISHED FOR THEIR PARENTS' MISTAKES. True reform should make it easier for poor children to grow into productive adults - not harder. Teenage parents should not be denied cash assistance - instead, help should be conditioned on their staying at school, living at home, and identifying their child's father. Needy children should be assured basic protections wherever they live. School lunches, Food Stamps, and assistance to abused, disabled and neglected children should not be slashed under the guise of "welfare reform."

STATES AND INDIVIDUALS PROTECTED WHEN NEED INCREASES. Any legislation must enable states to succeed in moving people from welfare to work and supporting working families and children who need temporary help. The federal-state partnership should be retained, because we won't have welfare reform or state flexibility if Congress just gives states more burdens and fewer resources. States should be rewarded for moving people from welfare to work, and protected if population growth, an economic downturn, a natural disaster, or another unpredictable emergency causes an increase in need and applications for aid.

Welfare Reform Talking Points: CHILD CARE May 1995

"My top priority is to get people off welfare and into jobs. I want to replace welfare with work, so people earn a paycheck, not a welfare check. To do that, we have to take some of the money we save and plow it into job training, education, and child care. I want tough welfare reform, but we've got to be practical. If we're going to make people on welfare work, we have to make it possible for them to work."

President Clinton, Radio Address, 4/8/95

President Clinton recognizes that child care is necessary to help move people from welfare to work and to prevent welfare dependency in the first place. Single mothers cannot participate in work and training activities unless their children are cared for. And working families struggling to stay off welfare often need child care assistance in order to make ends meet. If welfare reform is to succeed in moving people into the workforce and keeping them there, adequate child care is essential.

The House-passed welfare bill would reduce federal funding for child care by \$1.6 billion, or 15 percent, over five years. In the year 2000, over 320,000 child care slots would be lost under the bill -- even though real welfare reform will require more child care, not less, as single mothers leave the rolls for work. This legislation would reduce already scarce child care slots and pit working families against welfare recipients for child care assistance -- making it harder, not easier, for single parents to move from welfare to work.

The House bill eliminates existing federal child care guarantees. The legislation repeals the AFDC/JOBS Child Care, Transitional Child Care, and At-Risk Child Care entitlements, requiring child care to compete with other discretionary programs for funding. The bill would also eliminate current requirements for states to match federal funds, maintain current child care expenditures, and meet certain health and safety standards that protect children in care. We believe that children's health and safety should not be jeopardized under welfare reform.

The link between work and child care is widely recognized. "Our experience suggests that a renewed commitment to work by welfare recipients will require additional child care funds above current levels," the National Conference of State Legislatures emphasized in a recent letter to Senator Packwood. Senator Packwood himself has acknowledged that "single parents must have day care in order to work. Day care costs money. A family is on welfare because it doesn't have money. It can be a vicious downward spiral." And Representative Goodling has said that "the only major area of concern I have is in the area of day care. If you're going to move [welfare recipients] into the job market ... that's going to be very difficult without health care and day care. I'm concerned because we level-funded it."

The Clinton Administration has already made adequate funding for child care programs a consistent priority in its efforts to support working families. The Administration recognizes that parents cannot be required to participate in education or training activities or terminated from assistance unless child care is available and their children are safe. President Clinton therefore supports additional funding for child care programs and Head Start and better coordination of rules across all child care programs.

Welfare Reform Talking Points: WORK

May 1995

"My top priority is to get people off welfare and into jobs...To do that, we have to take some of the money we save and plow it into job training, education and child care ... If we're going to make people on welfare work, then we've got to make it possible for them to work. If we're going to make people self-reliant, we have to make it possible for them to support themselves. We can be tough, but we've got to be practical."

President Clinton, radio address, 4/8/95

Real welfare reform is first and foremost about work. Welfare reform must provide work-based incentives for states, caseworkers, and welfare recipients themselves. The House bill isn't about moving women from welfare to work; it's about budget cuts in foster care, adoption, and aid to disabled children. The House bill repeals the Family Support Act, passed by a bipartisan Congress, championed by then-governor Clinton, and signed by President Ronald Reagan in 1988. States have been making progress in moving people from welfare to work under that legislation -- but the House bill repeals it. In the end, it's missing what should be the centerpiece of welfare reform: work.

To be credible, welfare reform legislation must have real work requirements. President Clinton's approach is based on a simple agreement: welfare recipients will be provided with services as long as they agree to work. We would require recipients to develop personal responsibility agreements, ensuring that from the very first day, recipients will identify the education, training, job placement and child care services they'll need to move into work. Time limits would make clear to welfare recipients and caseworkers that welfare is a transitional system leading to self-sufficiency. In contrast, the House bill repeals any requirements that states provide job-readiness services -- or that welfare recipients use them.

Welfare reform must also have incentives and resources for states to get the job done. The House bill doesn't include funding for any of the supports -- like job training, and child care -- that single mothers need if they're really going to go to work. In fact, funds for child care -- particularly important for single mothers -- are cut. Welfare reform that is really serious about work must include provisions to make sure welfare recipients finish high school, get job training, and get the child care they need to finish school and work.

State bureaucracies should be rewarded for getting people to work or prepare for work -- not for cutting people from the rolls. The House bill contains a perverse incentive for states to cut women and children from the rolls, since some caseload reductions count toward the participation requirements. Cutting people off is not the same as "work," and it's a sham to say it is. In addition, work requirements without resources will only make it harder for states to transform their welfare bureaucracies.

Welfare reform should be about moving people into jobs -- not budget cutting. An April *Washington Post* poll showed that 94 percent of Americans believe that welfare recipients should be required to work or train for work. On May 16, the *Washington Post* reported that 52 percent of Americans now oppose further cuts in welfare spending to reduce the deficit -- up from 34 percent in January.

Welfare Reform Talking Points: CHILD SUPPORT ENFORCEMENT
May 1995

"If we value responsibility, we can't ignore the \$34 billion in child support absent parents ought to be paying to millions of parents who are taking care of their children...People who bring children into this world cannot and must not walk away from them."
President Clinton, State of the Union address 1/25/94

The Administration recognizes that both parents must support their children, and is working to enact the toughest child support enforcement program ever proposed. Child support enforcement is a crucial part of welfare reform, because it sends a strong signal to young people about the responsibility of both parents to the children they bring into the world. Parenthood brings clear obligations and those obligations must be enforced.

Since taking office, President Clinton has taken strong steps to improve our nation's child support enforcement system. In 1993, we collected a record \$9 billion in child support payments from non-custodial parents, due to the increased resources we've devoted to child support enforcement and the IRS' withholding of income tax refunds from parents. In addition, our new in-hospital paternity establishment provisions, the president's executive order to improve child support enforcement among federal employees, and the Justice Department's aggressive pursuit of parents who cross state lines without paying will work together to further improve the system.

Child support can help end the poverty and insecurity that victimize single-parent families. The failure to collect child support has several explanations. Paternity is not established for most children born out of wedlock; child support awards are usually low and rarely modified; and ineffective collection allows many absent parents -- especially in interstate cases -- to avoid payment without penalty. If child support orders reflecting current ability to pay were established and enforced, single mothers would have received \$34 billion more than they now receive. Closing that gap is a top priority for this Administration.¹

The Clinton Administration has a comprehensive plan to improve child support collection. As the President has said, governments don't raise children -- parents do. To send that message loud and clear to men and women -- those who already have children and those who don't -- welfare reform must include tough child support enforcement measures like streamlined paternity establishment, new hire reporting, uniform interstate child support laws, computerized statewide collections, and license revocation. These five Administration-backed improvements would increase child support collections by \$24 billion in the next 10 years alone -- helping millions of children who deserve the support of both parents. And they'd reduce federal welfare costs by \$4 billion over the same period.

The "silver lining" in the House welfare bill was its final inclusion of all the tough child support enforcement measures we've proposed. As President Clinton said, "The welfare reform plan I sent to Congress last year included the toughest possible child support enforcement. And now the Speaker and his colleagues in the House have taken our child support measures and put them into their bill -- including our plan to ask states to deny drivers' licenses and professional licenses to deadbeat parents." We're committed to sending the strongest possible message that parents cannot walk away from the children they bring into this world.

¹Elaine Sorensen, "Noncustodial Fathers: Can They Afford to Pay More Child Support?" The Urban Institute (1994).

Welfare Reform Talking Points: COST SHIFT TO STATES

May 1995

"We will not achieve real reform or state flexibility, if Congress just gives the states more burdens and less flexibility, and fails to make work and responsibility the law of the land."
President Clinton, Letter to House Speaker Gingrich, 3/20/95

President Clinton supports state options to reform the welfare system, recognizing that states are the "laboratories of democracy" and that certain problems demand local flexibility. The number and diversity of existing state demonstrations reflect both state eagerness for welfare reform and the Administration's commitment to state flexibility. Since January 1993, we have approved innovative demonstration projects -- for more than half the states -- enabling them to experiment with new ways of promoting parental responsibility, making work pay, and helping families become self-sufficient.

Several key goals must guide our efforts to redesign the welfare system and ensure greater state flexibility. We must achieve the national reform objectives of work, responsibility and accountability; ensure funding stability over time; and preserve basic protections for needy Americans and their children. States should also be rewarded for moving people from welfare to work, and protected if population growth, an economic downturn, a natural disaster, or another unpredictable emergency causes an increase in need and applications for aid.

The Clinton Administration is committed to refocusing the welfare system on the national objectives of work and responsibility, while maintaining our partnerships with the states. The federal-state partnership should be retained, with both doing their share to make welfare recipients self-sufficient. But we won't have real welfare reform or state flexibility if Congress just gives states more burdens and fewer resources. The bill passed by the House of Representatives would end this partnership and reduce federal supports for states by at least \$66 billion -- making it harder, not easier, for them to move people from welfare to work.

Welfare reform should not mean conservative mandates. States need more flexibility, not less. And they don't need conservative micromanagement -- but that's exactly what the House bill would impose. Governors and local officials of both parties agree, and are now on record against provisions in the House bill that would deny assistance to the children of minor mothers, disabled children, and legal immigrants.

Welfare reform must ensure that states are able to help families who fall on hard times and play by the rules. Any legislation must enable states to succeed in moving people from welfare to work and supporting working families and children who need temporary help. As President Clinton has said, "If we're going to make people on welfare work, then we have to make it possible for them to work. If we're going to make people on welfare self-reliant, we have to make it possible for them to support themselves. We can be tough, but we've got to be practical."

orig: CHR

To John Angel -
Carol Rocco -
- FYI -
- Ken Appel

Q&A for USDA Under Secretary Ellen Haas
(as cleared by OMB 2-7-95)

Prepared for February 8 hearing before the House Subcommittee on Department Operations,
Nutrition and Foreign Agriculture

CC: GALSTON
Reed
Ben-Ami

Q. Does the Administration oppose block granting the nutrition programs?

A. Yes. Block granting Food Stamps would have substantial negative consequences for the safety net of food assistance programs now in place; for the nutrition and health of low-income Americans; for the food and agriculture economy, and for the level and distribution of federal support to States.

Under any block grant proposal:

- **The Food Stamp program would be unable to respond to changing economic circumstances. During economic downturns, States would have to decide whether to cut benefits, tighten eligibility, or dedicate their own revenues to the Food Stamp program.**
- **Reduced investment in the Food Stamp program will adversely affect the nutrition and health of low-income families and individuals. Low-income households are at greater risk of nutrition-related disorders and chronic disease than the rest of the population. Since the nationwide expansion of the Food Stamp program, the gap between diets of low-income and other families has narrowed.**
- **Reduced support and cash-out of the Food Stamp Program would result in reduced retail food sales, reduced gross farm incomes and, in the short run, job losses. In the long-term, a block grant would reduce employment in farm production, food processing and distribution. The economic effects would be felt most heavily in rural America.**
- **Any formula for distributing grant funds will result in winners and losers among the States. Over time all States will fare worse than under current law.**

EXECUTIVE OFFICE OF THE PRESIDENT

09-Jan-1995 11:01am

TO: David Leavy
FROM: Bruce N. Reed
Domestic Policy Council
SUBJECT: Welfare Update

If McCurry is briefing today, he might get a few questions on welfare reform, such as:

Q. What is the Admin's position on Friday's agreement b/w GOP Congressional leaders and GOP governors to block grant several welfare programs?

A. We have not seen a proposal, and we'll have to look at the details if they can reach agreement on one. As a former governor, the President is a strong supporter of state flexibility. He has signed more state waivers in his 2 years than Bush did in 4 or Reagan did in 8, and his welfare reform plan would give the states unprecedented flexibility to try new things without even asking for a waiver. But he also wants to make sure that any welfare reform plan doesn't simply shift new costs and new burdens to the states.

Q. When is the Administration going to hold its welfare summit?

A. [We hope to announce details later this week.]

Q. Will the Administration introduce the same bill as last year?

A. We introduced a strong, centrist plan last year, and we hope that this Congress will pass a bill that follows the same basic principles of work, responsibility, tough child support enforcement, etc. As the President discussed with Congressional leaders last week, this is an issue where Americans from both parties should be able to agree. Soon we will hold a bipartisan working session to hear from governors, local officials, and members of Congress. We'll put our plan on the table after that.

Q. What is the Admin's reaction to Gov. Howard Dean's comments this weekend that the GOP block grant proposal will starve the poor and throw old people on the street?

A. It is very important to listen to the governors -- from both parties -- on issues like welfare reform, because in the end they're the ones who have to make it work. We hope that we can agree on an approach to welfare reform that is good for the states, good for the taxpayers, and good for people on welfare who desperately want to break free of it. We think that governors from both parties can find common ground.

Call me if you have any questions. Thanks.

WELFARE REFORM

Q. What do you think of the welfare reform agreement announced today between House Republicans and Republican governors?

A. I haven't seen the details yet. I think we've made some progress on important issues like the need for tough child support enforcement, and it's very important to me and to the American people that we put country before party and end welfare as we know it. But as Congress begins this historic debate, let me tell you what I have always believed that welfare reform is about. I've been working on the welfare problem for 14 years now, and I can tell you: Real welfare reform is about moving people from welfare to work, where they'll start earning a paycheck, not a welfare check. It shouldn't be about punishing children because they happen to be poor.

Q. Can you sign a bill that does not contain an individual entitlement?

A. We've got to keep an eye on that issue. I'm all for giving states a lot more flexibility — I've given waivers to 23 states, more than any other President. But we won't have real welfare reform if all Congress does is shift costs to the states and put children at risk. The real test for any welfare reform bill is: Does it move people from welfare to work? Does it reduce teen pregnancy? Does it hold parents responsible for supporting their children? Does it protect children, not punish them for their parents' mistakes?

7. QUESTION:

Leon Panetta was quoted in the NYT as saying that President Clinton wants to protect "the entitlement side" of welfare. The same article says Secretary Shalala made a similar argument in a confidential memo to the President. Is this a "line in the sand" for the Administration? Must AFDC, Food Stamps and SSI be entitlements instead of discretionary block grants as the Republicans in Congress and the NGA have suggested?

ANSWER:

Everyone agrees on both the need for state flexibility AND the need for clear national guidelines. We've got to require work and responsible behavior. We will continue to discuss these issues with the governors. We believe we have a common concern: we should be very careful to make sure that we don't put states at financial risk. We won't have flexibility or reform if we put ourselves in a position that when a recession comes along, the states go broke. We need to maintain the federal-state partnership, and it would be very difficult to design a pure discretionary block grant that doesn't put states and individuals at risk.

Follow-up:

But are you ruling out a move from entitlements to discretionary spending altogether? Or would you accept it if the states accepted it?

ANSWER:

What I'm saying is that it needs to be thought through carefully in the months ahead, as we continue to talk with governors and members of Congress. In addition to the effect on states, which are very important, we also want to carefully consider its effect on individuals who may hit a temporary "bump in the road" and will need assistance. In their recent meeting, the National Governors Association, in fact, did not reach a consensus on this issue. So our intention is to continue our discussions with them and with Congress.

8. QUESTION:

Does the Administration support giving states control over the welfare system through block grants?

ANSWER:

Welfare programs have historically been funded and administered as state/federal partnerships. States administer the welfare programs, set AFDC benefit levels, and tailor job training and work programs to their different economic and social circumstances. Through the two dozen waivers granted by this Administration, states have been given even more flexibility to design innovative approaches to welfare reform. At the Working Session on Welfare Reform at Blair House, we agreed, however, that the federal government does have an important role in protecting children, setting goals, and requiring that benchmarks be met.

- o One federal role is to ensure that state welfare programs embody national values. The Administration's goal is to move toward a system in which all states are requiring work, ensuring parental responsibility through vigorous child support enforcement, and discouraging young people from having children too soon. While we are committed to state flexibility in welfare reform, several key goals must guide our efforts: we must achieve the national reform objectives of work, responsibility and accountability; ensure funding stability over time and protect states and individuals against economic downturns; and preserve basic protections for needy Americans and their children.
- o Another federal role is to cushion states against economic and demographic fluctuations. Often, the times and places of greatest need are those with the fewest resources. Federal funding helps states serve their communities during times of economic distress.
- o A third federal role is to ensure a national safety net for millions of poor families. As we reform welfare to focus on work, responsibility, and reducing dependency, we must not forget that these programs provide a lifeline when a parent has lost a job, a mother cares for a seriously disabled child, an elderly person can't make it on meager pension benefits, an abused partner finally takes her child and breaks away, or a working family needs a small supplement. As a nation, we have accepted responsibility for ensuring that our neediest families have some help in meeting their basic needs.

1:50 a.m.

NOTE TO RAHM AND BRUCE --

The Secretary has approved the Q and As, but would like to add a sentence or two that the President said in the Oval Office photo op on January 27:

"It's also important that we not forget that a lot of people who go on public assistance will only do it once in their lives, because they temporarily hit a bump in the road. And we have to be sure that we will be able to provide assistance to these people when they only need some short-term help."

Thanks - Melissa

Guidance on new Republican welfare reform bill
February 9, 1994

BACKGROUND:

Rep. Clay Shaw is scheduled to announce a new version of House Republicans' welfare reform legislation in a speech to the U.S. Chamber of Commerce this morning. It is expected to replace the existing individual entitlement for AFDC benefits with a capped entitlement to the states (essentially a block grant); maintain the ban on cash aid to teenage mothers in some form; and retain most other features of the original Personal Responsibility Act. He is also expected to say that he intends to work with Democrats in Congress to include most of the child support provisions in our welfare reform bill.

KEY TALKING POINTS:

Welfare reform must be about a paycheck, not a welfare check. Welfare reform should include requirements that everyone who can work does work. We put forward a strong centrist proposal to do just that -- with work requirements, time limits, and temporary supports like education, training, and child care. We won't have ended welfare as we know it until the central focus of the program is to move people off welfare and into a private sector job so that they can support themselves and their families.

Our goal must be to lift people up from dependence to independence, not just to punish them because they happen to be poor, young, or unmarried. We intend to work with Congress on a bipartisan basis, but we continue to oppose any plan to deny assistance to young mothers, break up families, punish children for their parents' past mistakes, or put children in orphanages. These extreme ideas are opposed by many Republicans as well, and we hope they will be dropped.

Tough child support enforcement must be a centerpiece of welfare reform. We're pleased that House Republicans intend to adopt our proposals for child support enforcement, which was a key agreement reached at the Working Session on Welfare Reform. If we're going to end welfare as we know it, we must make sure that all parents -- fathers and mothers alike -- take responsibility for the children they bring into this world.

DRAFT Q AND AS
WELFARE REFORM AND ENTITLEMENTS

Q Is the President now opposing the House Republican plan to block-grant AFDC and end the individual entitlement to welfare benefits? Isn't this a new position?

A The President has simply repeated his previous concerns about block-granting AFDC and shifting the program to the states with less money. As we've said before in numerous forums, we have serious concerns about this approach. First, it runs the risk of really hurting states in recessions -- when state revenues drop even as welfare caseloads rise. Second, it hurts the working poor - people who hit hard times and need help for only a few months.

Q Would the President veto a bill that ended the entitlement status of AFDC?

The President is not issuing any veto threats. We genuinely believe that there is a good possibility of bipartisan agreement on welfare reform. We have certainly laid out our principles, and areas in which we disagree with the House Republican bill. And it is certainly possible that Congress could pass bill that the President would oppose -- if it were weak on work or punishes children, as the President said yesterday, for example. But we don't think it will come to that. Several moderate Republicans have already expressed concerns about the more extreme provisions in the House of Representatives' bill. And today, the Senate Finance Committee is holding its very first hearing on welfare reform. So there's a long way to go, and we will continue to urge all parties to put "politics as usual" aside and pass a strong, bipartisan bill.

THE PROPOSALS HOUSE REPUBLICANS HAVE PURSUED ARE WEAK ON WORK AND CRUEL TO KIDS

House Republicans have used welfare reform as a cover for their real priority -- finding ways to pay for tax breaks for the wealthy.

These proposals include block granting successful nutrition programs such as school lunch and WIC and reducing food stamp benefits by \$16 billion over five years.

The Republicans propose cutting off benefits to mothers and their children until the mothers are 18. We propose requiring these young mothers to live at home, stay in school, and take the steps necessary to get their lives on track.

The administration is pushing for (1) Tougher work requirements that give states the means to move people from welfare to work; (2) The toughest possible child support enforcement, including tough penalties that threaten delinquent parents with losing drivers and professional licenses if they refuse to pay their child support; (3) tougher, smarter ways to demand responsible behavior and reduce teen pregnancy, not just punish people because they're poor, young and unmarried; and (4) real flexibility for the states, not new mandates and less money.

THE PRESIDENT HAS A LENGTHY HISTORY OF COMMITMENT TO WELFARE REFORM

As Chairman of the National Governors Association, the President helped guide the 1988 Family Support Act to passage, working with a Democratic Congress and a Republican President.

As Governor of Arkansas, Clinton made the state a leader in both welfare reform and child support enforcement.

The President has given 25 states the flexibility to reform welfare at the local level and has signed an executive order making it easier to force federal employees to sign the child support they owe.

UPDATE

The administration introduced the Work and Responsibility Act last year -- the most comprehensive welfare reform legislation a President has ever proposed. President Clinton hosted a bipartisan working session at the White House in January with leaders from all levels of government, and the administration will continue to pursue a bipartisan approach.

House Republicans are moving ahead with their welfare reform bill. Ways and Means, EEO and Agriculture have all marked up legislation (as of March 8). The Rule Committee will consolidate the work of the various committees, and floor action is expected the week of the 20th.

The Senate has just held its first hearing (March 10). No action on specific legislation is expected until April at the earliest.

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draft Shalala statement

I intend to review the latest Republican welfare reform proposal carefully. The Administration will continue to work on welfare reform in a bipartisan manner, and I look forward to continuing our discussions with members of Congress and with governors. In particular, I want to congratulate Congressman Shaw for agreeing to include tough child support enforcement provisions in his welfare reform bill, which was a key agreement reached at the Working Session on Welfare Reform. If we're going to end welfare as we know it, we must make sure that all parents -- fathers and mothers alike -- take responsibility for the children they bring into this world.

But as we work together to fix our broken welfare system, our goal must be to move people from dependence to independence, not just to punish them because they happen to be poor, young, or unmarried. Real welfare reform is about moving single parents into the work force, reducing teen pregnancy, and holding parents responsible for supporting their children. We remain opposed to provisions which would deny assistance to young mothers, punish children, or replace families with orphanages. Any proposal must be measured by its success in protecting children, requiring work, and rewarding responsibility.

Q: Leon Panetta was quoted in the NYT this morning saying that the President wants to protect "the entitlement side" of welfare. The same article says Secretary Shalala made a similar argument in a confidential memo to the President. Is this a "line in the sand" for the Administration? Must AFDC, Food Stamps and SSI be entitlements instead of discretionary block grants as the Republicans in Congress and the NGA have suggested?

A: Everyone at today's meeting agreed on both the need for more state responsibility AND the need for clear national standards. We've got to require work and reward responsible behavior. We will continue the discussions we've had with governors, as well as members of Congress, on these issues. We believe we have a common concern: that we maintain what is a very good partnership and to be sure that we don't put states at financial risk. We won't have real flexibility or reform if we put ourselves in a position that when the first recession comes along, the states go broke. One of the reasons for our concerns is that it will be very difficult to design a pure discretionary block grant that doesn't put states and individuals at risk.

FOLLOW UP --

Q: But are you ruling out a move from entitlements to discretionary spending altogether? Or would you accept it if the states accepted it?

A: What I'm saying is that it needs to be thought through carefully in the months ahead, as we continue to talk with governors and members of congress. In addition to the effect on states, which are very important, we also want to carefully consider its effect on individuals who may hit a temporary "bump in the road" and will need assistance.

Welfare Reform

Talking Points: **WELFARE WORKING SESSION**

January 25, 1995

This working session has been an important step in an honest bipartisan dialogue about what we must do to fix this country's broken welfare system. President Clinton has sought to reform welfare for years, and welfare reform is a top priority for his Administration, Congress, governors, local officials and the American people. Today he brought leaders together from around the country to look for common ground on the problems and solutions to welfare reform.

The American people want their elected officials to put aside politics and work in new ways to solve their problems. With this vision, President Clinton met today with Democratic and Republican governors, local officials, state legislators and members of Congress to discuss a common goal: making welfare a transitional system leading to work.

Today's session proved that when we put aside politics as usual, the distance between our goals for welfare reform is not very great. Although we did not anticipate reaching a consensus at this session, we did learn that there are some fundamental provisions for reform on which we can all agree. Democrats and Republicans agree that anyone who can work should do so, that welfare reform should include time limits, and that anyone who brings a child into this world ought to be prepared to raise the child and take financial and personal responsibility for that child's future. And we agree that teen pregnancy and out-of-wedlock childbearing are important problems that must be addressed through comprehensive welfare reform. We also agree that the federal government does not have answers to every problem, and that states and localities should have the flexibility to design welfare reform strategies that respond to local circumstances.

While there are areas where we disagree, we will continue our efforts to find a bipartisan consensus. We are committed to working together across party lines to produce real, lasting change. The American people deserve a government that honors their values and spends their money wisely, and this common goal must guide our efforts to reform welfare over the coming months. We don't want politics to get in the way of fixing a welfare system that needs fundamental change.

Real measures to help welfare recipients move from welfare to work must be a central part of any reform plan. The President put forward a strong centrist proposal last year with work requirements, time limits, and temporary supports like education, training, and child care. We won't have ended welfare as we know it until the central focus of the program is to move people off welfare and into a private sector job so that they can support themselves and their families.

Welfare reform is part of our larger effort to reward work and responsibility in every government program. The Earned Income Tax Credit has already been signed into law, cutting taxes for 15 million working Americans and creating an incentive to work and stay off welfare. As a next step, the Middle Class Bill of Rights will reduce taxes for millions more Americans who work hard to save money, raise their children and train for a better economic future. The welfare system, like the tax system, must be changed to reward work and responsibility.

5/22

Bruce -- Here's a first shot at the Q and A. Since we don't even know what the likely "Q" is, we may have to revisit this around noon -- but I'd appreciate your edits now, so we can have something ready.

Thanks -- Melissa

Q: What does the Administration think of the Senate Republicans' welfare bill unveiled by Senator Packwood today?

A: Until we see the legislation, it's impossible to say whether or not it meets the President's criteria for welfare reform. According to press reports, he has moved the President's way on some issues, such as denying help to teenage mothers. But the big test of welfare reform is moving people from welfare to work, and it's not yet clear whether the Senate bill will contain the necessary incentives and resources for states to enforce real work requirements. So the jury's still out.

I want to note that today the President has granted permission to Arizona to proceed with its own statewide welfare reform plan -- the 29th welfare demonstration we've approved. This plan has many of the elements in the President's proposal: real work requirements; incentives for moving people from welfare to work; investments in child care; time limits; requirements for teenagers to live at home and stay in school; and measures to require personal responsibility of both mothers and fathers. In fact, the Republican governor of Arizona has joined other governors of both parties is arguing that congressional block grant proposals would hurt the reform efforts in many states. So we'll continue to measure progress in Congress against one simple yardstick: whether or not it will really move people off of welfare rolls and onto payrolls.

Bruce --

This is a little rough, but it uses the same language we've used before to try to create some consistency. Melissa

5/23/95

DRAFT Q AND A
PACKWOOD WELFARE BILL

Q: Would the President veto the Senate bill, as Senator Moynihan was apparently told by Leon Panetta yesterday?

A: The chief of staff was reiterating what the President has said many times: he would veto the legislation passed by the House of Representatives if it reached his desk in its current form. Our requirements for welfare reform are simple and clear. We want a bill that includes real work requirements; that rewards states for moving people from welfare to work; that doesn't punish children for their parents' mistakes; that requires personal responsibility of both mothers and fathers; and that contains tough child support enforcement provisions to ensure that parents aren't allowed to walk away from their obligations. The House bill fails that test.

Q: But would the President veto a bill that eliminates the entitlement to welfare benefits, as Senator Moynihan said last night on "MacNeil/Lehrer?"

The President has always expressed concern about the idea of block granting welfare programs -- Food Stamps in particular - and giving them to the states with less money. Although he wants to give states a lot of flexibility, we won't really have welfare reform or state flexibility if Congress just gives states more burdens and fewer resources. Again, our test of any bill will be simple: it should be tough on work, not on innocent children. That means, in part, that states should also be protected if population growth, an economic downturn, a natural disaster, or another unpredictable emergency causes an increase in need and applications for aid.

5/23/95

DRAFT Q AND A
PACKWOOD WELFARE BILL

- Q: Would the President veto the Senate bill, as Senator Moynihan was apparently told by Leon Panetta yesterday?
- A: The chief of staff was reiterating what the President has said many times: he would veto the legislation passed by the House of Representatives if it reached his desk in its current form. Our requirements for welfare reform are simple and clear. We want a bill that includes real work requirements; that rewards states for moving people from welfare to work; that doesn't punish children for their parents' mistakes; that requires personal responsibility of both mothers and fathers; and that contains tough child support enforcement provisions to ensure that parents aren't allowed to walk away from their obligations. The House bill fails that test.
- Q: But would the President veto a bill that eliminates the entitlement to welfare benefits, as Senator Moynihan said last night on "MacNeil/Lehrer?"

As the President has said, he wasn't elected to pile up a stack of vetoes. But he has always expressed real concern about the idea of block granting welfare programs -- Food Stamps in particular -- and giving them to the states with less money. Although he wants to give states a lot of flexibility, we won't really have welfare reform or state flexibility if Congress just gives states more burdens and fewer resources. Again, our test of any bill will be simple: it should be tough on work, not on innocent children. That means, in part, that states should also be protected if population growth, an economic downturn, a natural disaster, or another unpredictable emergency causes an increase in need and applications for aid.

Q. What do you think of today's reports that Republican governors are pushing a Senate bill that would modify some of the tougher aspects of the House bill?

A. Any governor, Republican or Democrat, would be crazy to support the House bill. It's weak on work, tough on kids, and would cost the states a fortune. I'm glad to see that even the most conservative Republican governors are joining me and the Catholic Church in saying that we shouldn't punish innocent children for their parents' mistakes. This is a step in the right direction, but we've got a long way to go. If we're going to truly end welfare as we know it, we've got to pass a bipartisan bill that is tough on work and does right by children.

Questions and Answers on Senate Welfare Proposal
April 13, 1994

Q: But what about the block grant concept? If the Senate did pass a bill, as the House already has, that ended the entitlement status of AFDC, would the President object?

A: As I have said, the discussions reported on today are preliminary staff conversations. No bill has been introduced yet, and we'll have to wait and see how the Senate decides to proceed. The President has made clear his serious objections to many provisions in the House bill. He's not going to sign a bill that is unfair to children, weak on work and responsibility, and lacking in the resources that states need to move people from welfare to work. But we don't think it will come to that. These discussions between governors and the Senate do show that members of both parties are interested in dropping the most punitive provisions in the House bill, and that's a good first step. But there's a long way to go, and we will continue to urge all parties to put "politics as usual" aside and pass a strong, bipartisan bill.

Questions and Answers on Senate Welfare Proposal
April 13, 1994

- Q: Would the President veto a bill that looked like the proposal being discussed in the Senate?
- A: As I have said, the discussions reported on today are preliminary and involve only a few Republican governors. No bill has been introduced yet in the Senate, and we'll have to wait and see what comes out of these discussions. The President has said repeatedly that he's interested in working in a bipartisan manner with the states and the Congress, but there has to be real incentives to move single mothers from welfare to work.

Questions and Answers on Senate Welfare Proposal
April 13, 1994

Q: Is the proposal in the Senate moving in the right direction?

A: Again, any proposal that continues the move away from orphanages is moving in the right direction. And their move toward the center is not surprising given the amount of criticism they've had from the Catholic Church and others for being tough on children instead of tough on work. But that's not the only step that needs to be taken for a proposal to meet the test of real welfare reform.

Our fundamental requirements for real welfare reform have not changed. Any proposal must put work first and foremost. It must have real incentives to move people from welfare to work, and real resources and performance measures to help states get the job done. So while this newest proposal has dropped many of the provisions that were tough on children, it apparently retains the same unacceptable work provisions in the House bill. Under the House bill, for example, states would be able to count people cut from the rolls as participating in work -- whether or not they had actually found jobs. In my view, that's not a real welfare-to-work plan. Even the Heritage Foundation and the Republican head of the Congressional Budget Office have criticized those provisions as weak and unenforceable.

Questions and Answers on Senate Welfare Proposal
April 13, 1994

Q: What do you think of the welfare proposal reported today in the New York Times and Washington Post?

A: First of all, I'm not surprised that even the most conservative Republican governors are advocating significant changes in the House bill. After all, this is a bill that originally suggested that poor children be placed in orphanages and contained a lifetime ban on aid to children of teen mothers. It drew criticism from the Catholic Church even after it was amended. So they had nowhere to go but up.

However, in my view, the jury's still out on whether these preliminary staff discussions will produce real welfare reform legislation. My fundamental requirements for welfare reform have not changed. Any proposal must put work first and foremost. It must have real incentives to move people from welfare to work, and real resources and performance measures to help states get the job done. So while I'm pleased that these discussions are apparently moving away from the House bill's more punitive provisions, especially those that were tough on innocent children, there's still a long way to go.

Talking Points**Why the Republican plan is weak on work****3/23/95**

Work requirements were added as an afterthought. This bill isn't about moving women from welfare to work; it's about budget cuts in foster care, adoption, and aid to disabled children. Originally, the work participation requirement in 1996 was 4 percent of the caseload. Then, after the governors protested, it was just 2 percent -- and even resume writing qualified as "work." Then it was 4 percent again, and then yesterday, in response to Democratic criticism, it increased to 10 percent. Now CBO is criticizing some of their hastily written participation standards -- those that apply to two-parent families -- as unworkable. It's clear that they haven't really given any thought to what should be the centerpiece of welfare reform: work.

Caseload reductions still count as "work." The bill contains a perverse incentive for states to cut women and children from the rolls, since any reduction in their caseloads count toward the participation requirements. Cutting people off is not the same as "work," and it's a sham to say it is.

It doesn't include funding for any of the supports -- like education, training, and child care -- that single mothers need if they're really going to go to work. In fact, child care funds are cut. If they were really serious about work, they would include provisions to make sure welfare recipients finished high school, got job training, and got the child care they need to finish school and work.

It repeals the Family Support Act, passed by a bipartisan Congress and signed by President Ronald Reagan in 1988. States have been making progress in moving people from welfare to work under that legislation -- and the Republican bill repeals it.

It doesn't include provisions to be sure women are moving from welfare to work in the first two years. Our proposal, like the Deal bill, requires that welfare recipients are preparing to work from the very first day.

Even after they were amended yesterday, the work participation requirements in 1996 are still weaker than current law. Under current law, 11.5 percent of the caseload would be working in 1996 - in either public or private sector jobs. So states can meet the initial work requirements by doing absolutely nothing. The New Republic called that "workfake."

Its toughest work requirements are more illusory than real. Republicans like to talk about the work participation standards after the year 2000, but the bill only authorizes actions for the next five years. Even the CBO report acknowledged that this bill can only be taken seriously through the year 2000.

It allows states to evade the work requirements - either by cutting people off or by taking a modest penalty. Not meeting the work requirements means only that states will take a modest penalty of one-half percent to five percent of their federal payment. Even Republicans have admitted that the work standards are "easy to circumvent."

WELFARE REFORM Q&A

Monday, March 20, 1995

Q. Do you share the Catholic bishops' concerns that the Republican welfare reform bill would punish children and lead to more abortions?

A. Yes. We've said repeatedly that in its current form, the bill is not tough enough on work and on deadbeat parents, and it's too tough on innocent children. The bishops' statement could have a real impact, because the Catholic church has a great deal of experience in looking out for children. Moderate and pro-life Republicans are working hard to amend the provision that would deny benefits to young unwed mothers. We believe the Congress will come around to the position the President laid out in the State of the Union: We must end welfare as we know it, but we shouldn't punish innocent children for their parents' mistakes.

Q. Does the Administration believe that the Republican bill would lead to more abortions?

A. The leading advocate of the provision, Charles Murray, has said that it would lead to an increase in abortions, and some pro-life Republicans refused to sign the Contract with America because they believed it would increase abortions. Our approach is better: instead of refusing to help teen mothers and their children, we should require them to live at home with their parents, stay in school, identify the child's father, and turn their lives around.

Q. Does the Administration support the Deal substitute?

A. Both Democratic substitutes are based on the President's essential principles: moving people from welfare to work, the toughest possible child support enforcement, a national campaign against teen pregnancy, and so on. We support efforts by Democrats as well as by Republicans to improve the current bill, which is not tough enough on work and responsibility and too tough on kids. [NOTE: Don't take positions on the two Democratic substitutes. If you need an excuse, the Rules Committee hasn't even decided which amendments are in order.]

Q. Will the changes the Republicans are rumored to be considering make the bill more like something the President can support?

A. We'll have to wait and see what they actually do. We have expressed several concerns about the bill in its current form, but the President has made clear that we want to work together in a bipartisan way to pass real welfare reform this year.

Q. What will the President be doing this week to affect the outcome of the House debate? Will he be lobbying individual members?

A. The President devoted his Saturday radio address to the issue, and we released an HHS report pointing out that our child support enforcement provisions would increase collections by \$24 billion over the next 10 years. We will send a letter expressing our views on the House bill later this week. [NOTE: We're leaking it to Devroy today.] Administration officials have been meeting with members of Congress in recent weeks to press for changes, such as our drivers license provision. (As CNN put it over the weekend in their story on the President's radio address, we want to say to deadbeats, they can run, but they can't drive.)

The President has set the terms of this debate from the beginning, when he called for an end to welfare as we know it. He spoke out on it in the State of the Union Address and in his speech to NACO. He has now given waivers to half the country. We believe that when the dust settles, Congress will come around to the principles the President laid out in his plan.

3/16

Rules Committee action on welfare reform
Draft Q and As

Q Is the Administration concerned that there is not yet a Democratic alternative to the House Republican welfare reform bill? I understand that because of dissension within the party, the Democratic leadership is asking that two very different Democratic substitutes be voted on next week.

A First, I understand that the Rules Committee has not yet announced its decision on the procedure for floor debate. But it's really not important how many Democratic amendments are offered -- what's important is that Democrats are in agreement on the basic principles of welfare reform. Real welfare reform is about moving welfare recipients from welfare to work, parental responsibility, tough child support enforcement, and measures to reduce teen pregnancy. That's what the President is for, and that's what Democrats are for. What the Republicans are proposing is not real welfare reform.

Q Will the Administration endorse one of these Democratic proposals? Do you prefer Rep. Deal's bill to Rep. Mink's bill?

As I've said repeatedly, we're not going to issue specific pronouncements this early in the process. We've laid out what we're for: moving welfare recipients from welfare to work, parental responsibility, tough child support enforcement, and measures to reduce teen pregnancy. Those are our yardsticks as we move forward.

ENDING WELFARE AS WE KNOW IT

March 7, 1995

In a speech today to the National Association of Counties, President Clinton will reiterate the values that must guide reform of the nation's welfare system: work, family, and personal responsibility. He will also take another step to giving states the flexibility they need to reform welfare, while Congress debates national reform.

The Welfare System is Badly Broken. Nothing has done more to undermine our sense of responsibility than our failed welfare system. It rewards welfare over work. It undermines family values. It lets millions of parents get away without paying child support. That is why President Clinton is working hard to reform the welfare system.

We Have Made a Good Start Fixing the Welfare System. In the last two years, the Clinton administration has given more states the flexibility they need to find their own ways to reform welfare than the past two administrations combined. As of today, 25 states -- half the nation -- have received welfare reform waivers from this Administration, more than twice as many welfare waivers as the Bush Administration approved during four years.

Three Values Must Guide Welfare Reform: Work, Family, and Responsibility.

- **Work: Welfare Must be Tough on Work.** We have to make welfare what it was meant to be: a second chance, not a way of life. We will help those on welfare move to work as quickly as possible, provide child care and teach skills if they need them. But after that, the rule will be simple: Anyone who can work must go to work.
- **Family: We Must Make Parents Pay Child Support.** If a parent isn't paying child support, we will make them pay; suspend their drivers' licenses, track them across state lines and make them work off what they owe. We are collecting a record level of child-support from delinquent parents -- \$9 billion in 1993, a 12 percent increase over the previous year. That's why the President signed an executive order to make it easier to find federal employees who owe child support and make them pay.
- **Personal Responsibility: We Should Move People to Independence, not Punish them for Being Poor.** Our goal in welfare reform must be to liberate people and lift them up -- from welfare to work, mere childbearing to responsible parenting -- not punish them because they are poor. We should promote responsibility by requiring young mothers to live with their parents and finish school, not by putting them and their kids out on the street. We should not punish children for their parents' mistakes.

Reform Must Not Be Cruel to Kids. The plans currently being developed by House Republicans don't amount to real welfare reform. By cutting benefits such as school lunches and food stamps and cutting off young mothers, the Republicans may be saving money for a capital gains tax cut, but they're not reforming welfare. Real welfare reform is about helping people move to work, not simply cutting them off.

We Cannot Allow This Issue to Divide Us. We must end welfare as we know it, but we must also stop using this issue to divide America. No one is more eager to end welfare than the people that are trapped on it. We should promote work, responsibility and good parenting. We should punish bad behavior and the refusal to be a student, a worker, or a responsible parent. But we should not punish poverty and past mistakes.

Draft Talking Points
Working Requirements

WORK "REQUIREMENTS" STILL PHONY

How can we take these seriously when they're the fourth set of work standards we've seen? First there were the work requirements in the "Contract with America" -- a contract that was quickly broken. Next, there was a set of standards and requirements in the Human Resources Subcommittee bill that would allow going to the library to count as "work." Then, there was a third try included in the EEO markup - almost as an after thought. Now there's a fourth version even as Republican members continue to meet with governors. How do we know this isn't just another phony set of provisions designed to find political cover?

This bill contains new loopholes, but they're still loopholes. Caseload reductions count as "participation in work" -- cutting people off is not the same as getting people to work, and it's a shame to pretend it is.

The bill also contains an easy way for states to avoid the participation requirements altogether. For many states, taking a 5 percent reduction in their Federal grant will be cheaper and easier than running on-the-job training and work programs.

And what happens after the year 2000? These work requirements are more illusory than real -- since the block grant is only authorized throughout the year 2000. That means the highest real participation rate is 17 percent, not 50 percent.

And where are the resources to back up these new work requirements? Requiring work is more expensive than just sending a check -- as Republicans admitted in last year's bill. At least then they were honest about what real work requirements mean - now they're just passing the costs of their political cover on to the states. Governors who are serious about work want resources for child care, training, and job creation -- not new unfunded mandates.

Draft Talking Points
Under 18 Cut-Off

STILL EXTREME -- AND STILL STUPID

The Republican views are still extreme and have been rejected by the American people. Today's *New York Times*/CBS News poll shows that 67 percent of Democrats, 63 percent of Independent voters, and 57 percent of Republicans are opposed to cutting off welfare benefits to unmarried mothers under 18.

Yes, these provisions have changed slightly, but so what? Teen mothers and their children are only temporarily thrown out on the street without cash assistance. And there's finally an exemption for rape and incest. We're glad you've taken a small step toward the mainstream.

These provisions are still stupid. Denying assistance to a teenage mother won't do anything to move her toward self-sufficiency. Our approach would -- it conditions aid on staying in school, living at home, and naming her child's father.

Welfare Reform
Talking Points: **REPUBLICAN PLANS**
January 25, 1995

"Welfare reform is a top priority for my Administration, for the governors, for the new Congress, and above all, for the American people. Americans have asked their elected officials to put aside politics as usual and begin earnest work to solve our nation's problems -- and welfare reform is at the very top of our agenda."
President Clinton, 12/8/94

President Clinton has sought to reform welfare for years and we are pleased that Republicans have developed legislative proposals that share many of his priorities. President Clinton sponsored innovative programs as governor of Arkansas and was instrumental in the passage of the Family Support Act of 1988. His campaign focused attention on welfare reform, and we're pleased that Republicans agree on the need for change.

Republican plans offer proof that the consensus on the need for reform reaches across party lines. Everyone -- Democrats and Republicans, administrators and recipients -- agree that we must reform the welfare system. With this goal, President Clinton will convene a national bipartisan working session on welfare reform on January 28. This meeting will include Republican governors and members of Congress, marking the beginning of change not just for the welfare system, but for how our government works.

Republican legislative proposals share many of the central principles of President Clinton's vision for welfare reform. Democrats and Republicans agree that anyone who can work should do so, that welfare reform should include time limits, and that anyone who brings a child into this world ought to be prepared to raise the child and take financial and personal responsibility for that child's future. And we agree that teen pregnancy and out-of-wedlock childbearing are important problems that must be addressed through comprehensive welfare reform.

While we are committed to finding bipartisan agreement on welfare reform, we are firmly opposed to some provisions of the House Republicans' Personal Responsibility Act (PRA). The Administration's approach supports protecting the children of minor mothers who play by the rules, improving child support enforcement, and increasing local flexibility while maintaining a real partnership with the states.

- o Our approach would take strong action to address the problem of teen pregnancy, but would not give up on teenage parents and their children. We should require work and mutual responsibility, but we shouldn't cut people off because they are poor, young, unmarried. We should promote responsibility by requiring young mothers to live at home with their parents or in other supervised settings and finish school, not by putting them and their children out on the street. We shouldn't punish poor children for the mistakes of their parents. We strongly oppose the Republicans' orphanage proposal which could cost billions of dollars, create a new government bureaucracy, and divide families instead of strengthening them.

- o **Welfare reform must also require responsibility from both parents.** The Clinton Administration has proposed a comprehensive plan to improve child support enforcement and ensure that both parents contribute to their children's well-being. We would suspend drivers licenses, track parents across state lines, and make them work off what they owe. In contrast, the House Republican plan contains few child support enforcement provisions and could actually reduce resources for enforcement. We must do more, not less, to ensure that both parents live up to their responsibilities.

- o **We must refocus the welfare system on the national objectives of work and responsibility, while maintaining our partnerships with the states.** Some Republican plans would cut funding for vulnerable populations and leave everything up to the states. Such proposals could create a massive cost-shift to the states and threaten the safety net for millions of poor children. While the Administration is committed to state flexibility, we must be honest about the consequences of proposals such as the Personal Responsibility Act for state taxpayers and individuals. We must create real, lasting welfare reform that focuses on the fundamental goals of work and responsibility.

Welfare Reform

Talking Points: OVERALL PLAN

January 25, 1995

"I believe we must end welfare as we know it, because the current welfare system is a bad deal for the taxpayers who pay the bills and for the families who are trapped on it. The American people deserve a government that honors their values and spends their money judiciously, and a country that rewards people who work hard and play by the rules."

President Clinton, 12/8/94

The President's commitment to welfare reform is part of his longstanding commitment to the middle class values of work, responsibility and family. While governor of Arkansas, President Clinton worked closely with elected officials from both parties to pass the Family Support Act. As President, he has given more than 20 states the flexibility to reform welfare at the local level and introduced the most comprehensive welfare reform legislation ever proposed.

Now he's invited the country's bipartisan leadership to come together to forge a national consensus on welfare reform -- and restore American values to a badly broken welfare system. Americans have asked their elected officials to put aside politics as usual and begin earnest work to solve our nation's problems -- and welfare reform is at the top of our agenda. People want their leaders to stop the partisan bickering, come together, and roll up their sleeves and get to work.

The President is fighting to reward work and responsibility in every government program. The Earned Income Tax Credit has already been signed into law, cutting taxes for 15 million working Americans and creating an incentive to work and stay off welfare. As a next step, the Middle Class Bill of Rights will reduce taxes for millions more Americans who work hard to save money, raise their children and train for a better economic future. The welfare system, like the tax system, must be changed to reward work and responsibility.

Welfare reform must ensure that taxpayers' money is well spent. The federal government should help young mothers and their children escape welfare, but it shouldn't support long-term dependency. That is why the President's approach would require work, not encourage orphanages; put a two-year time limit on welfare benefits and then insist that recipients go to work; devote more resources to child support enforcement, not less; and mount a new effort to fight welfare fraud. The American people deserve a government that honors their values, spends their money wisely, and rewards people who work hard and play by the rules.

Welfare reform should give single parents a chance at the middle class. Work is still the best social program ever invented, and anyone who can work should do so. But if you're going to require work, there has to be a job there, along with the requirement that people on welfare will have to get off it and go to work after a specified period of time. There also has to be support for people who are working and raising their children - like education, training and child care.

Welfare reform must strengthen families, because there is no substitute for caring families when it comes to teaching children the value of work and responsibility. We need to launch a national campaign against teen pregnancy, and make it clear that no one should get pregnant or father a child if they're not prepared to take responsibility for that child's future. Teenagers who do have a child must be required to live at home with their parents, finish high school, work and pay child support, but they must also get the help they need to become good role models for their children. Arbitrarily denying aid to young mothers and putting their children in orphanages will weaken families, not strengthen them.

5/12

NOTE TO RAHM AND BRUCE --

Here's a first draft of the Q and A we discussed this morning. I'm now being told that Packwood will not unveil his bill on Monday, but will just be talking about welfare reform in general terms -- so this is probably way too specific. But why don't you take a look at it, and we can discuss Monday morning.

Have a good weekend --

Melissa

Q: What does the Administration think of the Senate Republicans' welfare bill unveiled by Senator Packwood today?

A: We have not yet reviewed the legislation, so it remains to be seen whether or not it meets the President's criteria for real welfare reform. As the President has said, our requirements are simple and clear. We want a bill that includes real work requirements; that contains the incentives and the resources for states to get the job done; and that requires personal responsibility of both parents. That means welfare reform legislation must include personal responsibility agreements to be sure single mothers are moving toward work from the very first day, and tough child support enforcement provisions to ensure that fathers aren't allowed to walk away from their obligations.

Measured against that yardstick, the Senate plan is a step forward. For example, it deletes the House ban on assistance to teenage mothers. But on work, it still falls far short in terms of providing real incentives for states to move people from welfare to work. It's also important to point out that Republicans in Congress are still confusing budget cutting with welfare reform. The bill passed by the House of Representatives was both tough on children and phony about work. It slashed \$68 billion from programs that serve needy children in order to pay for a tax cut for the rich. The Senate bill does seem to be an improvement, and if members of the Senate want to work with us in a bipartisan way, we're certainly open to that.

WR-21A

EXECUTIVE OFFICE OF THE PRESIDE
EXECUTIVE OFFICE OF THE PRESIDE

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28-Jun-1994 07:14pm

TO: Richard L. Siewert
FROM: Jeremy D. Benami
Domestic Policy Council

SUBJECT: Memo for Business Week interview

Jake --

The following memo is for your use as briefing for the Business Week interview. I didn't know what format it should be in, so you can do whatever you need to change it. Bruce has seen and approved.

I'm reachable on beeper tonight if you need anything, and in tomorrow morning at x65584.

June 28, 1994

MEMORANDUM TO THE PRESIDENT

Subject: Background for Business Week Interview

In its June 13 issue, Business Week ran a lengthy piece on welfare reform. In addition to basic coverage of your plan and a comparison with the Mainstream Forum and House Republican plans, the magazine also provided its own proposal. This memo summarizes their proposal and provides some brief questions and answers addressing concerns raised in that article.

Business Week proposal

Business Week proposes spending \$4 billion a year to move 2.5 million adults on welfare (half the caseload) into jobs within two years. They say:

- "The system must be retooled to focus on skill training, job search help, and developing close ties to local businesses that can provide the jobs."
- "Not everyone will find work right away, so new public service jobs will be needed. . . Recent studies suggest that

work is out there -- especially in an expanding economy creating 250,000 positions a month."

- Improve training programs: tie them to real jobs in the community, get rid of failed programs, etc.
- Provide health care and child care (few specifics provided)
- Rebuild the family: establish paternities; enforce child support from fathers; early family planning
- More state experimentation.

Obviously, these basic principles are at the core of your Work and Responsibility Act and provide the basis for potential compromise with the Mainstream Forum and the House Republicans.

Questions and Answers

The following questions and answers tackle three main criticisms in the Business Week article:

- Your phase in is too slow
- Your budget is too low
- Your financing is unclear

Q: Why do you propose to move so slowly in your bill, when you made the "ambitious campaign promise," to end the current welfare system. [Note: Business Week calls for moving 2 to 2.5 million people from welfare to work in two years -- your plan calls for 400,000 in the WORK program by the year 2000]

A: Our plan is ambitious. It calls for a complete change in the philosophy and culture of a welfare system that's been around for 60 years. We are moving from a focus on welfare checks to paychecks, from income maintenance to self-sufficiency. Within five years, half of all recipients will be in our time-limited system. The message for the next generation will have been changed. A million people will be either off welfare or working. These are massive changes that do take time. There is near unanimous agreement from the states and experts (including Judy Gueron from MDRC) that these changes cannot take place overnight if we want them to work.

Q: How do you respond to widespread criticism that \$9.5 billion over five years is not enough to fund meaningful welfare reform. [Note: Business Week calls for \$4 billion a year, calls the level of funding in your bill "a fatal deficiency." Says administration backed down from \$15 billion plan originally proposed.]

A: There has never been any retreat from the core elements of my reform proposal. The phase-in plan, the expansion of training and job search programs, as well as the creation of the program to provide work opportunities remain unchanged from the original proposal presented by the Working Group. Our phase-in plan is driven by a desire to make this a workable programs for the states that have to run it. We can discuss the level of funding for child care for the working poor but that will not have an impact on our ability to change the nature of the welfare system.

Q: Have you really found an acceptable way to pay for this proposal? [Note: Business Week says Leon Panetta is still "empty-handed" in searching for funding.]

A: We have a balanced package of financing proposals that provide a good starting point for discussions with Congress. It's a realistic proposal that does not make any one particular group unfairly bear the burden of paying for this reform.

WR-
Q+A

WELFARE REFORM QUESTIONS AND ANSWERS

Q: It seems like this proposal changes welfare, but doesn't end it, and in a way expands it. How does it redeem the campaign promises to end welfare as we know it?

A: Under the President's plan, welfare will be about a paycheck, not a welfare check. The plan completely corrects the disincentives in the current system to make welfare consistent with the values of work and responsibility. Our proposal changes basic assumptions about welfare, emphasizing self-sufficiency and empowerment instead of cash support. New time limits will restrict most AFDC recipients to a lifetime maximum of up to 24 months of cash assistance and training, followed by work. And by focusing on young people, today's teenagers will get a clear signal that welfare as we know it has ended.

Q: Does anyone ever go "off the cliff?"

A: Anyone who can work will have to go to work within two years, in the private sector if possible, in a public service job if necessary. Anyone who turns down a private sector job will be removed from the rolls, as will people who repeatedly refuse to make good faith efforts to obtain available jobs. However, the Administration is committed to providing an opportunity for those who play by the rules to work to help support their families.

The WORK program will enable those without jobs after two years to support their families through subsidized employment. WORK assignments will last up to 12 months, and WORK program participants will generally be required to engage in job search at the conclusion of a WORK assignment. At the end of two consecutive WORK assignments, participants who have not found unsubsidized work would be assessed on an individual basis. Those determined to be unable to find work in the private sector either because there were no jobs available to match their skills or because they were incapable of working outside a sheltered environment would be allowed to remain in the WORK program for another assignment. Similar assessments would be conducted following each subsequent assignment.

Q: What happens to the children if someone's benefits and public job are terminated?

A: Some benefits will continue -- even during sanctions -- to protect children. During JOBS sanctions, for example, children will still receive benefits and families will keep Food Stamps, housing assistance, and medical insurance.

Q: How many are affected? How many aren't? Why is the effect so limited?

A: The President has decided on a phase-in strategy that initially focuses on the youngest third of the caseload - young, single mothers under the age of 25: those with the most to gain and most at risk (born after 1971). This approach sends a strong message to young women that the welfare system has fundamentally changed. It changes the incentives of welfare to show teenagers that having children is an immense responsibility rather than an easy route to independence. At the same time, we invest in young families who have the most hope of being helped.

In 1999, the program will affect an estimated xxx families. xxx parents will have left welfare, xxx will be working while on welfare, xxx will have reached the two-year time limit and entered subsidized jobs, and xxx will be in training and education activities. In the year xxx, xxx families will be affected with xxx parents having left welfare. States, however, can choose to phase-in more recipients more quickly - with federal matching funds.

Any workable plan is bound by the time needed to build state capacity. If the reform program was implemented full-scale, in 1997 states would have to expand the number of participants in the JOBS program from 600,000 to 2.7 million. It is very unlikely that states could successfully implement the new program so broadly and quickly. Our phase-in strategy lets states start with a manageable caseload, and go further with federal help if they wish to.

Q: What are the costs, federal and non-federal? How would they be financed?

A: The Clinton Administration expects to invest \$9.3 billion dollars over five years in new funds for welfare reform. The Administration is committed to providing money for support services and work and training programs for welfare recipients who will be expected to work.

Q: How many people will get off the welfare rolls as a result of this proposal, and when?

A: Current estimates show that in the year xxx, the program will affect an estimated xxx families. Eighty thousand parents will have left welfare, xxx will be working while on welfare, and xxx will be in training and education activities. In 2004, xxx families will be affected, with xxx parents having left welfare.

Ultimately, welfare reform's success must be measured not by the program's size but by its ability to help people keep jobs once they leave welfare. Already, 70 percent of welfare recipients leave the rolls within two years. But most (2/3) return within three years. Our reform plan provides supports that will enable people to stay in jobs, remain self-sufficient, and leave the welfare system forever.

The plan also includes new provisions to prevent teen pregnancy and welfare dependency. It sends a strong signal to teens that pregnancy and childbirth should be delayed. We also focus on teens who are already mothers -- with mentoring, child care, time-limited AFDC benefits, requirements to live with a caring adult and identify their child's father, incentives to stay in school, and other services necessary to put them on the path to work and self-sufficiency.

Q: Why should the government provide jobs? Doesn't this in effect take away jobs from others?

A: Jobs for welfare recipients will be non-displacing. States will have the option to place participants in private sector positions, depending on the needs of the local labor market. Essentially, states can place recipients in subsidized private sector jobs, in public sector positions, or with community organizations. In any case, we are committed to the belief that it is better to provide jobs -- for those who play by the rules -- so that people can learn job skills and become oriented to the workplace instead of receiving endless cash benefits.

Q: What kinds of publicly-supported jobs would people get? How much would they be paid?

A: States and local communities can design WORK programs appropriate to the nearby labor market and local needs and circumstances. They can place recipients in subsidized private sector jobs, in public sector positions or with community organizations. Most jobs would pay minimum wage and occupy between 15 and 35 hours per week. These jobs cannot pay less than cash assistance. Public sector jobs might include child care or home health workers. Many communities have real work that needs to be done to improve their schools, neighborhoods, and parks.

Q: What is the record of federally-supported job training programs? Why will they do better now?

A: Several studies show that federally-supported job-training programs have been successful. A study of the Job Training and Partnership Act found that participants had higher salaries and were more likely to obtain and keep jobs. Sixteen percent of JTPA participants were above the poverty level in the first post-program year, compared to only 2 percent of non-program participants. (National Commission for Employment Policy)

A study conducted in California by Manpower Demonstration Research Corporation (MDRC) found that JOBS participants' earnings increased an average of 24 percent over the control group after the second year.

In MDRC's recent review of the JOBS program in California, Riverside County's GAIN program had impressive results for single parents. In the second year, it raised

the group's earnings by \$1,179, or 53 percent over the group average. Its total improvement in earnings, over the first two years, reached \$2,099 per person. The County also saved \$701 in welfare payments in the second year, a 17 percent reduction compared to the amount of payments made to the MDRC control group. Total welfare savings reached \$1,397 per person after two years.

Other federally-supported job-training programs have also been successful. Training Inc. has worked with some JOBS programs to place welfare recipients in private sector jobs for close to 20 years.

An evaluation of the federal Teen Parent Demonstration program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced a \$160 reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions or receive services.

Additionally, the New Hope Project is a model welfare-to-work program that represents a unique partnership between private and public sectors. In a pre-pilot program with 52 participants, 43 participants were working full-time primarily in regular sector jobs. These encouraging results demonstrate the impact of subsidizing work for individuals and families who are currently poor and making work pay.

The new program will expand the JOBS program and will build on successful state and local models. It will provide additional federal funding and higher federal match rates to ease state fiscal constraints and make sure that JOBS, child support, and prevention programs really work. Greater automation, simplified program rules, and streamlined administrative requirements will minimize resources spent on paperwork.

The President's plan will transform the culture of the welfare bureaucracy from the business of writing checks into the business of helping people find jobs and keep them. Agencies will be forced to immediately move recipients into jobs and enforce--rather than undermine--the values of work and responsibility.

Q: How and how much will this proposal expand child care?

A: The plan recognizes that child care is an essential part of welfare reform. To further encourage young mothers to work, our plan would guarantee child care during education, training, and work programs, and for one year after participants leave welfare for private sector employment. Increased funding for other federal child care programs will bolster more working families just above the poverty line and help them stay off welfare in the first place. Our plan also improves child care quality and ensures parental choice.

Q: How long will subsidized child care be provided?

A: Subsidized child care will be provided for all participants in education, training, and in the WORK program. The plan will also continue to guarantee subsidized child care for one year in order to ease the transition from welfare to employment.

Q: With the new disregard, what will be the highest actual income a person could earn and still receive benefits?

A: The new disregard is not really determined since states will have the flexibility to establish their own disregard policies. The plan will require states to disregard a minimum of \$120 in earnings, indexed for inflation. Indexing will ensure that working recipients have an adequate earned disregard in the future.

The plan will also ensure that a WORK participant will receive supplements so that she will not be worse off than someone receiving cash assistance.

Q: What does the proposal do about welfare fraud?

A: The proposal will eliminate the waste, fraud, and misuse in the welfare system. The plan coordinates programs, automates files and monitors recipients. States will have to verify the income, identity, alien status and Social Security numbers of new applicants and assign each recipient a national identification number. Anyone who refuses to follow the rules will face tough new sanctions, and anyone who turns down a job offer will be dropped from the rolls. Cheating the system will be promptly detected and swiftly punished.

A national public assistance clearinghouse will use identification numbers to track people wherever and whenever they use welfare, and a "new hire" database will monitor recipients' earnings. This system is essential for a time-limited welfare system. It will also prevent people from collecting benefits in two jurisdictions simultaneously and escaping their responsibilities by moving.

Q: Why is the limit two years? How soon does a person have to start looking for work?

A: A two year limit balances the need to communicate to those entering the welfare system that AFDC is a temporary support system by moving recipients quickly into the labor market, while remaining sensitive to the fact that all recipients are not competitive in that market. We believe two years is enough time for most people to obtain the skills and training they need to find a job and become economically self sufficient. In fact, 70 percent of welfare recipients already leave the rolls within two years, and many applicants are job-ready. From the very first day, the new system will focus on making young mothers self-sufficient. Working with a caseworker, each woman will develop an employability plan identifying the education, training, and job placement services needed to move into the workforce.

Q: Is the two-year period a life-time limit?

A: Yes. However, there is a cushion for individuals who leave AFDC with less than six months of eligibility remaining. In such cases a person could "earn-back" 1 month of AFDC eligibility for each 4 months off AFDC/WORK.

Q: How will fathers pay support if they don't have jobs?

A: Some fathers are as poor as the mothers and children who are receiving AFDC. These parents need to be provided with the opportunities to fulfill their role as financial providers for their children. Therefore, states will be given the option of developing JOBS and/or work programs for the noncustodial parents of children who are receiving AFDC. Stipends earned through work programs will be garnished to pay current support orders.

Q: How can you turn the tide on teen pregnancy and out-of-wedlock pregnancy?

A: Today, minor parents receiving welfare can form independent households; often drop out of high school; and in many respects, are treated as if they were adults. Our plan changes the incentives of welfare to show teenagers that having children is an immense responsibility rather than an easy route to independence.

As part of our plan, roughly 1,000 middle and high schools in disadvantaged areas will receive grants to develop innovative, ongoing teen pregnancy prevention programs targeted to young men and women. Broader initiatives will seek to change the circumstances in which young people live and the ways they see themselves, addressing health, education, safety, and economic opportunity.

Phasing in the new system will direct limited resources to young, single mothers with the most at risk and send a strong message to teenagers that welfare as we know it has ended. This phase-in approach, as well as a mixture of supports and sanctions for teen parents, will send a strong message to the next generation. From the very first day, teen parents receiving benefits will have to stay in school and move toward work. Unmarried minor mothers will have to identify their child's father and live at home or with a responsible adult, while teen fathers will be held responsible for child support and may be required to work off what they owe. At the same time, caseworkers will offer encouragement and support; selected older welfare mothers will serve as mentors to at-risk school-age parents; and states will be allowed to use monetary incentives to keep teen parents in school.

Our plan will also include a national campaign against teen pregnancy. Emphasizing the importance of delayed sexual activity and responsible parenting, the campaign will bring together local schools, communities, families, and churches. A national clearinghouse will provide these groups

with curricula, models, materials, training, and technical assistance relating to teen pregnancy prevention programs.

Q: How many people would exit welfare if all non-custodial parents paid the support they are calculated to be able to pay?

A: Approximately 8 percent of the AFDC caseload would be able to move off welfare if they received child support payments.¹ In addition, for a custodial parent in a low-wage job, the receipt of child support could be the crucial factor which keeps her from entering the welfare rolls.

AFDC costs could be reduced by over 25 percent if child support awards were in place in all cases, and all non-custodial parents paid the support they are calculated to be able to pay. This money would come from the 8 percent reduction in caseload and from the reimbursement the government would get for AFDC benefits paid to custodial parents on welfare.²

¹ From TRIM microsimulation analysis by the Urban Institute.

² Current Population Survey-Child Support Supplement and Survey of Income and Program Participation; unpublished ASPE tabulations; Office of Child Support Enforcement and Office of Family Assistance published reports; Family Disruption and Economic Hardship: Series P-70, No 23



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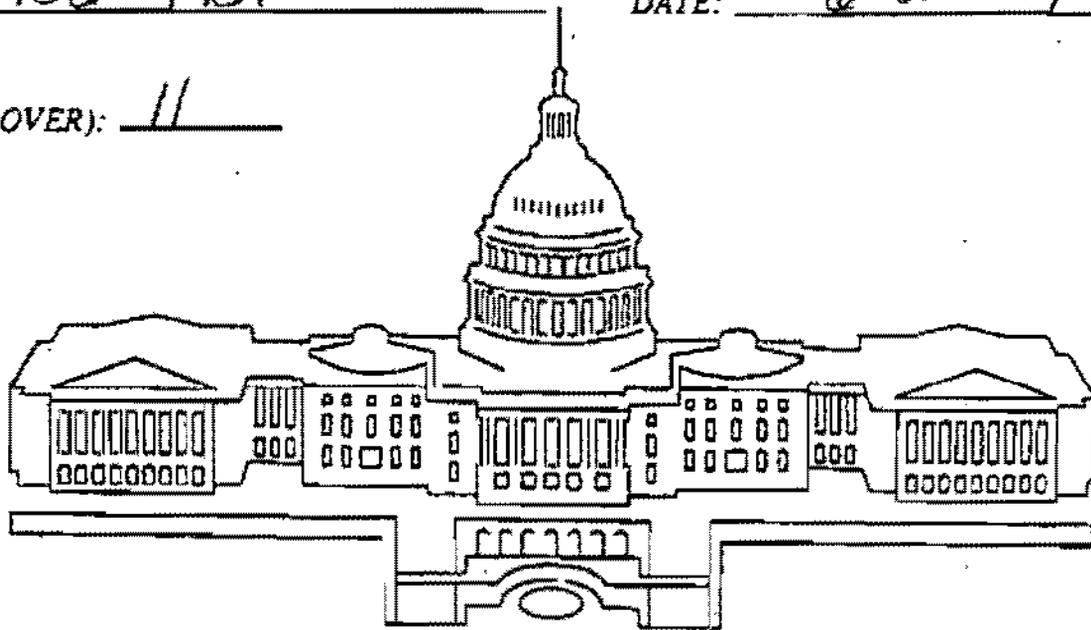
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REMARKS:





TO: Wendell Primus, ASPE
Ann Rosewater, ACF
Lavarne Burton, ASMB

FROM: Rich Tarplin/Sarah Walzer/Helen Mathis, ASL

SUBJECT: Questions on Welfare Reform

Thank you for supplying us with suggested questions on welfare reform. We are beginning to prepare briefing materials in anticipation of hearings that could begin as early as the week of June 27.

Please prepare draft responses to the questions that have been assigned to your division for the Secretary's briefing book. Thanks for your assistance, please contact us if you have any other questions.

cc: Jerry Klepner
David Ellwood
Mary Jo Bane
Bruce Reed ✓
Kathy Way
Avis Lavelle
Melissa Skofield
Michael Wald
Emily Bromberg
Jeremy BenAmi

①

WELFARE REFORM QUESTIONS FOR ASPE

- (1) Does anyone ever actually have their benefits terminated under this plan?
- 3) How many people will get off the welfare rolls as a result of this proposal and when?
- (4) Why did you chose a two-year limit? Won't this lead to a people staying on AFDC for the full two-year period rather than getting off sooner than two years (haven't you just created a two year entitlement to AFDC)?
- (5) How soon does a person have to start looking for work?
- (6) Given the diversity of the AFDC caseload, isn't a two-year limit too rigid? Since AFDC recipients vary tremendously in terms of their job skills, shouldn't the limit be one year for some and three years for others?
- (7) Is the two-year limit a lifetime limit?
- (8) What does this proposal do about to reduce welfare fraud/abuse/error/waste?
- (9) Why not simply fully fund the existing JOBS program and give it more time to work? Why not wait to learn more from waivers and demos before making dramatic changes in the system that may not work?
- (10) To what extent are welfare reform efforts complicated by larger issues such as labor market conditions/trends?
- (11) What is the proper balance between work expectations and parenting responsibilities?
- (12) How will success be defined in welfare reform?
- (13) Isn't this welfare as usual for recipients over age 25? Doesn't that go against the President's campaign promise to "end welfare as we know it?"
- (14) If a parent isn't willing to or accept a job offer that the recipient feels is beyond their capacity or has no private health insurance coverage, is the entire family sanctioned? What outcomes do you expect for children in this situation? Aren't they being punished or neglected due to the actions of their parents?
- (15) People will begin with two years of JOBS, then have the option of two one-year WORK assignments. If they can't find a job and still need public assistance they may move back into JOBS or even pre-JOBS. So are there really any time limits here?

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(16) Why not put older welfare recipients or recipients with children in school or in Head Start to work immediately, since they are less likely to have children in need of child care?

(17) You allow an extension of the time limit to individuals who need it to complete an education or training program. Surely two years for such programs is enough. Don't the extensions and exceptions throughout this proposal distort this welfare effort significantly, such that it becomes indistinguishable from the current system?

(18) How many people will be exempt from participation?

(19) Will there be any expectation of people on waiting lists? How long can a person wait on such a list before services and expectations are in place for them? Has anything really changed for these people?

(20) What happens to a recipient who goes on the rolls, agrees to an employability plan and then is never provided the services she needs to get a job due to State inertia. What recourse does she have?

(21) How does this welfare reform legislation fit into other Administration initiatives (Re-employment Act, Health Care Reform?)

(22) How many AFDC recipients are affected by the Administration's proposal? How many are not covered?

(23) How long will take to phase-in all AFDC recipients?

(24) Why is the effect so limited?

(25) Why did the Administration chose this phase-in mechanism?

(26) Did you consider focusing on other groups such as those with the closest connections to the work force who would be most likely to make the successful transition off of welfare, at lower costs, and with fewer child care needs?

(27) Will people who are not in the phased-in group have no expectations placed on them whatsoever?

(28) Can states chose to cover people other than the phase-in group?

(29) Is there a difference between rural poverty and urban poverty and will welfare reform take those differences into consideration (for transportation, child care, etc.)?

(30) Are the states ready for welfare reform? Will they be able to implement welfare reform, including changes in AFDC, JOBS, and child support enforcement? If not immediately then when?

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(31) How will job training program under JOBS be coordinated with existing job training programs in the Department of Labor? How is coordinated with the Administration's Re-employment Act?

(32) If the JOBS and Work programs are part of "One Stop Shopping", what agency will administer the programs and pay for the training?

(33) Could a person be provided with some services without being brought completely into the program?

(34) Why should the government provide jobs to people on welfare? Won't this take jobs away from working people?

(35) What kinds of publicly-supported jobs would people get under this program? How much would they be paid? Will they be jobs that provided training to move into higher paying and/or higher skilled labor? Who pays for the supervision of these workers?

Will they be required to do anything besides show up for work (continued job search in the private sector, additional training)?

(36) What happens to those in areas with high unemployment, such as reservations, who cannot find jobs?

(37) Won't people stay in the WORK program forever? How long will an individual be allowed to stay in a public service or subsidized private sector job? Will families be penalized if no work is available?

(38) How will states be able to generate the necessary WORK slots, given the bleak history of subsidized jobs?

(39) Do you anticipate union objections to your public services jobs? Will employers prefer clients subsidized through welfare to paying "full price" to those who are not on the system? How are you assuring that there will be no displacement of private sector workers?

(40) Have you undermined the child care guarantee by cutting back on the amount of child care originally contemplated?

(41) How are you proposing to strengthen the child support system? Your savings seem unrealistically high, can you support them?

(42) How will fathers pay support if they don't have jobs? Will anything be required of fathers who cannot pay the child support they owe?

(43) Many parents pay child support regularly and faithfully. Is it necessary to impose such a "big brother" system on all non-

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custodial parents?

(44) How do you expect a non-custodial parent to work to meet his/her support obligation when sanctions include suspension of drivers licenses and professional licenses? Isn't this counter-productive?

(45) Will you provide funding for job allotments for unemployed males who are noncustodial parents?

(46) What are you doing in this proposal to turn the tide on teen pregnancy and out-of-wedlock births?

(47) What is the evidence that imposing a "family cap" will reduce births among AFDC recipients? Is there any evidence that reducing or eliminating welfare increases would have any impact on the birth rate of out-of-wedlock children? Why did the Administration allow a State option to deny additional benefits for children conceived on AFDC?

(48) What happens to the children born to women subject to the family cap? How does your plan ensure that they are adequately cared for?

(49) I understand teen mothers will be required to live at home or with a responsible adult, how will you handle situations where the minor mother is threatened by the home environment? Will the minor be allowed to live with another responsible adult without having to prove that living with the parent could be destructive? Who will determine whether the responsible adult is appropriate? How easy will it be for a minor mother to get a good cause exemption in order to continue living on her own? Is this proposal likely to have any real impact, or is it mainly symbolic?

(50) What kind of results can be realistically expected from a "national campaign"? How long would you expect it to be before we see any results?

(51) If this administration is serious about reducing the number of people on welfare, why has limiting welfare benefits for additional children been left as a State option?

(52) What are you doing to address the issue of men who father children out-of-wedlock?

(53) The higher earnings disregard in the first four months of AFDC receipt is to encourage work. If the Administration intends to encourage work, why does the proposal allow States the option of changing the disregard so that disposable income for a recipient could end up being lower in the first four months than under current law?

(54) By allowing states the option to provide benefits for a

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larger proportion of two parent families, aren't we going to increase welfare rolls?

(55) By allowing states the option of treating single parent families differently than dual parent households, aren't we discriminating against intact families?

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WELFARE REFORM QUESTIONS FOR ACF

- (1) What happens to the children if someone's benefits and/or public job are terminated?
- (2) How will state agency staff be trained to assume their new roles as case managers and coordinators of a wide range of services? How will this training be paid for?
- (3) What happens to someone who takes a job but leaves it after 6 months, can they return to AFDC?
- (4) What are the specific sanctions against people who "don't play by the rules" or people who repeatedly refuse private sector jobs?
- (5) If the sanctions include a termination of all AFDC benefits, who will ensure that the children are not harmed by this?
- (6) How much flexibility will states have in designing and implementing their welfare programs under welfare reform? Can states still submit waiver applications?
- (7) What will happen to states that have waivers in place, particularly waivers that provide special services to AFDC recipients other than those in the phase-in group?
- (8) With the new income disregards in AFDC, what will be the highest actual income a person could earn and still receive benefits? Will this be different across States? Will there be enough differences in State implementation that some States will be substantially more attractive to recipients than others?
- (9) Will states be able draw down the money made available for JOBS/WORK, since some have been unable to under the 1988 Family Support Act?
- (10) How will this plan affect people in the territories?
- (11) What will be the incentives/matching rates for states?
- (12) Won't many states already have an "x years and out" policy by the time this plan is implemented, and won't this in turn lead to a greater request for waivers?
- (13) Federally-supported job training programs do not have a successful track record, why will this program be more effective?
- (14) Will tribes receive direct funding for JOBS?
- (15) Who will determine what kind of training is appropriate for the individual recipient?

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(16) What kinds of publicly-supported jobs would people get under this program? How much would they be paid? Will they be jobs that provided training to move into higher paying and/or higher skilled labor? Who pays for the supervision of these workers? Will they be required to do anything besides show up for work (continued job search in the private sector, additional training)?

(17) What happens to those in areas with high unemployment, such as reservations, who cannot find jobs?

(18) Won't people stay in the WORK program forever? How long will an individual be allowed to stay in a public service or subsidized private sector job? Will families be penalized if no work is available?

(19) How will states be able to generate the necessary WORK slots, given the bleak history of subsidized jobs?

(20) Do you anticipate union objections to your public services jobs? Will employers prefer clients subsidized through welfare to paying "full price" to those who are not on the system? How are you assuring that there will be no displacement of private sector workers?

(21) How will these be better than the CETA program, which is generally viewed as unsuccessful? Is there any evidence that these jobs are worth the additional expenditure of public dollars?

(22) What controls will be in place to detect fraud in the WORK program? Is it possible that the program will become a giveaway to private sector employers?

(23) Who develops/controls the new WORK programs? What is the Federal role, the State role, the local role?

(24) Will WORK participants, both in subsidized private sector jobs and public sector jobs, receive the same benefits as other employees who do not hold their jobs through the WORK program?

(25) How will it be determined whether WORK participants are hired by the public or private sector?

(26) Will there be any time limit on participation in the Work program?

(27) What incentives will there be for a private employer to hire a person from the WORK program? What will motivate a private employer to shift a person from subsidized to non-subsidized employment?

(28) How will the Work program deal with part-time work? Will there be allowances for part-time work?

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- (29) Will there be any money saved with the Jobs/Work program?
- (30) How will the plan deal with the elimination of the safety net of housing assistance, food stamps, etc, once a person has found private sector employment?
- (31) What child care services are available for a welfare recipient taking a private sector job?
- (32) How much will this proposal expand federally-funded child care programs? Who will have access to this child care, just AFDC recipients or the working poor as well?
- (33) Why not consolidate all child care programs and make more efficient use of limited dollars?
- (34) Does your proposal give child care to all AFDC recipients in JOBS or WORK, as well as the working poor? If so, how do you justify the cost to the government to provide a single woman, working in a minimum wage job, child care assistance and the EITC? Wouldn't it actually cost less for her to simply receive AFDC? And wouldn't it make more sense, especially if she has young children, for her to receive AFDC and be able to stay home and raise her children?
- (35) How much will subsidized child care cost? How long will it be provided for each family? Are some families in the same economic circumstances being left out? Isn't this inequitable? Will people who are not in the phased-in group have access to services such as child care and JOBS? Will there be enough resources for these individuals?
- (36) How many people would get off welfare if all non-custodial parents paid the support they were suppose to pay?
- (37) How will the adequate legal safeguards and protections afforded through a judicial review and process possibly be maintained if you move to an administrative process as proposed?
- (38) Why are all families included in State child support registries to be reviewed automatically every three years? The proposal calls for expensive upgrading of the system; will the savings really exceed the cost?
- (39) Is three years the appropriate timeframe in which to review all cases?
- (40) Is it appropriate for this system to become involved in non-AFDC cases? Will the outcome warrant the spending necessary?
- (41) How burdensome will this system be on employers? Will the additional paperwork required to report all new hires discourage employers from participating, or from willingness to hire people who will require such paperwork?

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WELFARE REFORM QUESTIONS FOR ASMB

- (1) How much does this program cost? Why is it more expensive to get people off welfare than to keep them on the existing AFDC program?
- (2) How will this reform proposal be paid for?
- (3) Why are you financing welfare reform on the backs of immigrants and the homeless?
- (4) What are the provisions, if any, affecting indigent aliens?
- (5) How much of the burden of financing this bill is going to fall on legal immigrants?

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WR-Q+A

WELFARE REFORM QUESTIONS AND ANSWERS

Q: It seems like this proposal changes welfare, but doesn't end it, and in a way expands it. How does it redeem the campaign promises to end welfare as we know it?

A: Our proposal changes the basic assumptions of the welfare system, emphasizing work and responsibility instead of ongoing cash support. Under the President's plan, welfare offices will focus on helping people to get paychecks, not welfare checks. Support, job training, and child care will be provided to help people move from dependence to independence. But time limits will ensure that anyone who can work, must work--in the private sector if possible, in a temporary subsidized job if necessary. At the same time, by focusing on young people, we send a clear signal to today's teenagers that welfare as we know it has ended.

Q: Does anyone ever go "off the cliff?"

A: President Clinton's welfare reform plan will demand responsibility by requiring anyone who can work to work within two years, in the private sector if possible, in a subsidized job if necessary. Anyone who turns down a private sector job will be removed from the rolls, as will people who repeatedly refuse to make good faith efforts to obtain available jobs. However, participants who are willing to work and play by the rules will not be left without a way to provide support for their families.

The President's plan will move people into the workplace as quickly as possible, by making WORK assignments less attractive than unsubsidized alternatives. We limit each WORK assignment to one year; require frequent job search; and withhold the EITC from WORK participants in subsidized jobs. After two years, WORK participants who have not found unsubsidized work would be individually assessed. Those who were found to have failed to apply for open unsubsidized jobs, who failed to cooperate with potential employers, or who had turned down job offers would be removed from the program and barred from applying for further subsidized work for six months.

Q: What happens to the children if someone's benefits and public job are terminated?

A: Some benefits will continue -- even during sanctions -- to protect children. During JOBS sanctions, for example, children will still receive benefits and families will keep Food Stamps, housing assistance, and medical insurance. During WORK sanctions, families will keep Food Stamps, housing assistance, and medical insurance.

Q: How many are affected? How many aren't? Why is the effect so limited?

A: The President has decided on a phase-in strategy that initially focuses on the youngest third of the caseload - young, single mothers born after 1971: those with the most to gain and most at risk. This approach sends a strong message to young women that the welfare system has fundamentally changed and alters the incentives of welfare to show teenagers that having children is an immense responsibility rather than an easy route to independence.

In the year 2000, 2.4 million adults -- about half of the caseload -- will be subject to the new rules, including time limits and work requirements. Almost one million people will either be off welfare or working. 331,000 people who would have been on welfare will have left the welfare rolls. 222,000 parents will be working part-time in unsubsidized jobs. 394,000 people will be in subsidized jobs in the WORK program. That's up from 15,000 now. States can also choose to phase-in more recipients more quickly - with federal matching funds.

Any workable plan is bound by the time needed to build state capacity. It would be very difficult for states to successfully implement the new program more quickly. Our phase-in strategy lets states start with a manageable caseload -- initially about one-third of all recipients -- and go further with federal help if they wish. By the year 2004, two-thirds of all welfare recipients will be covered by the new rules.

Q: What are the costs, federal and non-federal? How would they be financed?

A: The Clinton Administration expects to invest \$9.3 billion dollars over five years in new funds for welfare reform. All of it will be fully paid for with program cuts and revenue extensions -- we will not raise taxes or increase the deficit.

Q: How many people will get off the welfare rolls as a result of this proposal, and when?

A: In the year 2000, 2.4 million adults will be subject to the new rules, including time limits and work requirements. Almost one million people will either be off welfare or working. 331,000 people who would have been on welfare will have left the welfare rolls. 222,000 parents will be working part-time in unsubsidized jobs. 394,000 people will be in subsidized jobs in the WORK program. That's up from 15,000 now.

Ultimately, welfare reform's success must be measured not by the program's size but by its ability to help people keep jobs once they leave welfare. Already, 70 percent of welfare recipients leave the rolls within two years. But most (2/3) return within three years. The supports in our reform plan will enable people to stay in jobs, remain self-sufficient, and leave the welfare system forever.

The plan also includes new provisions to prevent teen pregnancy and welfare dependency. By changing the incentives of welfare and launching a national prevention campaign, it sends a strong signal to teens that pregnancy and childbirth should be delayed. We also focus on teens who are already mothers -- with

mentoring, child care, time-limited AFDC benefits, requirements to live with a caring adult and identify their child's father, incentives to stay in school, and other services necessary to put them on the path to work and self-sufficiency.

Q: Why should the government provide jobs? Doesn't this in effect take away jobs from others?

A: Jobs for welfare recipients will be non-displacing, and states will develop WORK programs appropriate to the local labor market. States can place recipients in subsidized private sector jobs, in public sector positions, or with community organizations. We believe that providing jobs will allow people to gain job skills and leave welfare instead of receiving endless cash benefits.

Q: What kinds of publicly-supported jobs would people get? How much would they be paid?

A: To make the WORK program appropriate to local labor markets, the President's plan encourages state flexibility and community-based initiatives. State governments can design programs to fit local labor market needs: temporarily placing recipients in subsidized jobs, in public sector positions, or with community organizations. Many communities have real work that needs to be done to improve their schools, neighborhoods, and parks. States may employ young mothers as child care or home health providers, support self-employment and micro-enterprises, or hire private firms to place participants. Most jobs would pay minimum wage and occupy between 15 and 35 hours per week.

Q: What is the record of federally-supported job training programs? Why will they do better now?

A: Our plan will expand the JOBS program and will build on successful state and local models. It will provide additional federal funding and higher federal match rates to ease state fiscal constraints and make sure that JOBS, child support, and prevention programs really work. Greater automation, simplified program rules, and streamlined administrative requirements will minimize resources spent on paperwork.

The President's plan will transform the culture of the welfare bureaucracy from the business of writing checks into the business of helping people find jobs and keep them. Funding incentives will encourage agencies to move recipients into jobs immediately and enforce--rather than undermine--the values of work and responsibility.

Several studies show that federally-supported job-training programs have been successful. A study of the Job Training and Partnership Act found that participants had higher salaries and were more likely to obtain and keep jobs. Sixteen percent of JTPA participants were above the poverty level in the first post-program year, compared to only 2 percent of non-program participants. (National Commission for

Employment Policy)

An evaluation of the federal Teen Parent Demonstration program in Illinois and New Jersey found that teenage mothers who received conditional benefits, along with case management and support services, achieved significantly higher rates of school attendance and employment. The 3,000 participants who faced a \$160 reduction in their monthly AFDC grants had success rates nearly 20 percent higher than young mothers who did not face sanctions or receive services.

A study conducted in California by Manpower Demonstration Research Corporation (MDRC) found that JOBS participants' earnings increased an average of 24 percent over the control group after the second year.

In MDRC's recent review of the JOBS program in California, Riverside County's GAIN program had impressive results for single parents. In the second year, it raised the group's earnings by \$1,179, or 53 percent over the group average. Its total improvement in earnings, over the first two years, reached \$2,099 per person. The county also saved \$701 in welfare payments per person in the second year, a 17 percent reduction compared to payments made to the MDRC control group. Total welfare savings reached \$1,397 per person after two years.

Other job-training programs have also been successful. America Works, based in New York, Connecticut, and Indiana, has placed 5000 welfare recipients in permanent positions with private companies.¹ Atlanta's Marriott Marquis Hotel employs female welfare recipients through a federally-financed training program; after six months, 94 percent of its hires are still employed.² And Training, Inc., based at seven national sites, has placed welfare recipients in jobs for almost 20 years. Working closely with local businesses, the organization finds positions for 89% of its clients.³

The New Hope Project is a model welfare-to-work partnership between private and public sectors. A pre-pilot program with 52 participants moved 43 people into full-time, primarily private sector jobs. These encouraging results demonstrate the impact of making work pay through subsidized jobs for poor individuals and families.

Q: How and how much will this proposal expand child care?

A: President Clinton's proposal will expand and improve the child care system. In contrast, neither the Senate nor the House Republican welfare reform bills include any

¹Working Group on Welfare Reform fact sheet 2/94.

²Wall Street Journal 4/26/94, p. 1.

³Training, Inc., places 67% of its graduates in unsubsidized permanent or long-term temporary jobs; one year later, over 84% are still employed and 92% have received raises (Working Group on Welfare Reform State Profiles 3/10/94 and Training, Inc., fact sheet).

new provisions for child care. We will make work a viable option for single mothers by providing affordable, accessible child care for both families transitioning off welfare and low-income working families. Our plan will guarantee child care through education, training, and work, and for one year after participants leave welfare for unsubsidized employment. We increase availability through additional funding for existing programs, coordinate rules across all child care programs, and encourage the development of safe and nurturing care environments.

Q: How long will subsidized child care be provided?

A: Welfare recipients in work and training, including the JOBS and WORK programs, will be guaranteed child care. Those leaving welfare for unsubsidized jobs will also receive a year of Transitional Child Care in order to ease the transition from welfare to employment. We also substantially expand child care funds for low-income working families.

Q: With the new disregard, what will be the highest actual income a person could earn and still receive benefits?

A: The new disregard is not really determined since states will have the flexibility to establish their own disregard policies. The plan will require states to disregard a minimum of \$120 in earnings, indexed for inflation. Indexing will ensure that working recipients have an adequate earned disregard in the future.

The plan also ensures that WORK participants will receive supplements so that they will not be worse off than those receiving cash assistance.

Q: What does the proposal do about welfare fraud?

A: Our proposal will eliminate the waste, fraud, and misuse in the welfare system. The plan coordinates programs, automates files and monitors recipients. States will have to verify the income, identity, alien status and Social Security numbers of new applicants and assign each recipient a national identification number. Anyone who refuses to follow the rules will face tough new sanctions, and anyone who turns down a job offer will be dropped from the rolls. Cheating the system will be promptly detected and swiftly punished.

A national public assistance clearinghouse will use identification numbers to track people wherever and whenever they use welfare, and a "new hire" database will monitor recipients' earnings. This system is essential for a time-limited welfare system. It will also prevent people from collecting benefits in two jurisdictions simultaneously and escaping their responsibilities by moving.

Q: Why is the limit two years? How soon does a person have to start looking for work?

A: A two year limit tells those entering the welfare system that AFDC is a temporary

support, yet remains sensitive to the fact that all recipients are not yet job ready. We believe that two years is enough time for most people to obtain the skills and training they need to find a job and become economically self sufficient. In fact, 70 percent of welfare recipients already leave the rolls within two years, and many applicants are job-ready.

But from the very first day, the new system will focus on making young mothers self-sufficient, and we expect many recipients to leave welfare for work well within two years. Working with a caseworker, each woman will develop an employability plan identifying the education, training, and job placement services needed to move into the workforce. New recipients who are job-ready will also immediately be oriented to the workplace through job search. Anyone offered a job will be required to take it.

Q: Is the two-year period a life-time limit?

A: Yes. However, there is a cushion for individuals who leave AFDC with less than six months of eligibility remaining. In such cases a person could potentially "earn-back" 1 month of AFDC eligibility for each 4 months off AFDC/WORK.

Q: How will fathers pay support if they don't have jobs?

A: Some fathers are as poor as the mothers and children who are receiving AFDC. These parents need to be provided with the opportunities to fulfill their role as financial providers for their children. Therefore, states will have the option to develop JOBS and/or work programs for the noncustodial parents of children who are receiving AFDC. Stipends earned through work programs will be garnished to pay current support orders.

Q: How can you turn the tide on teen pregnancy and out-of-wedlock pregnancy?

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

- **A national campaign against teen pregnancy.** Emphasizing the importance of delayed sexual activity and responsible parenting, the campaign will bring together local schools, communities, families, and churches.

- **A national clearinghouse on teen pregnancy prevention.** The clearinghouse will provide communities and schools with curricula, models, materials, training, and technical assistance relating to teen pregnancy prevention programs.

- **Mobilization grants and comprehensive demonstrations.** Roughly 1000 middle and high schools in disadvantaged areas will receive grants to develop innovative, ongoing teen pregnancy prevention programs targeted to young men and women.

Broader initiatives will seek to change the circumstances in which young people live and the ways that they see themselves, addressing health, education, safety, and economic opportunity.

Our plan changes the incentives of welfare to show teenagers that having children is an immense responsibility rather than an easy route to independence. Phasing in the new system will direct limited resources to young, single mothers with the most at risk. From the very first day, teen parents receiving benefits will have to stay in school and move toward work. Unmarried minor mothers will have to identify their child's father and live at home or with a responsible adult, while teen fathers will be held responsible for child support and may be required to work off what they owe. At the same time, caseworkers will offer encouragement and support; selected older welfare mothers will serve as mentors to at-risk school-age parents; and states will be allowed to use monetary incentives to keep teen parents in school.

Q: How many people would exit welfare if all non-custodial parents paid the support they are calculated to be able to pay?

A: Approximately 8 percent of the AFDC caseload would be able to move off welfare if they received child support payments.⁴ In addition, for a custodial parent in a low-wage job, the receipt of child support could be the crucial factor which keeps her from entering the welfare rolls.

AFDC costs could be reduced by over 25 percent if child support awards were in place in all cases, and all non-custodial parents paid the support they are calculated to be able to pay. This money would come from the 8 percent reduction in caseload and from the reimbursement the government would get for AFDC benefits paid to custodial parents on welfare.⁵

⁴ From TRIM microsimulation analysis by the Urban Institute.

⁵ Current Population Survey-Child Support Supplement and Survey of Income and Program Participation: unpublished ASPE tabulations; Office of Child Support Enforcement and Office of Family Assistance published reports; Family Disruption and Economic Hardship: Series P-70, No 23

More Welfare Reform Questions and Answers

Q: How does the welfare reform legislation fit into other Administration initiatives?

A: President Clinton recognizes that the social and economic forces influencing the poor run deeper than the welfare system. The Administration has undertaken many closely linked initiatives designed to spur economic growth, improve education, expand opportunity, restore public safety, and rebuild a sense of community. These include President Clinton's crime bill, which aids youth in disadvantaged neighborhoods and increases funding for community policing and violence prevention. His **School-to-Work** initiative facilitates teenagers' transition into the work force. His **Head Start** expansion and immunization program will help children while creating additional jobs. And **empowerment zones and enterprise communities** will aid regions by combining tax incentives with relevant social services and economic development programs. Welfare reform is an essential piece of a larger whole.

The President's health reform plan is a critical ingredient of welfare reform. An estimated 1 million people are on welfare chiefly to qualify for Medicaid, the government's health care program for the poor. Universal health coverage would allow those people to enter the workplace without worrying about coverage for their families. Providing health security will reinforce work and help people move from dependence to independence.

Q: Will states draw down the money we make available for JOBS/WORK, since they were unable to last time (1988 Family Support Act)?

A: Drafters of the Family Support Act did not anticipate that state budgets would shrink-- or that caseloads would expand so dramatically. State budget shortfalls have meant cuts in public aid staff and reduced state funds available for drawing down JOBS and other federal money. In 1992, states drew down only 69 percent of the \$1 billion available from the federal government. At the same time, both child support and AFDC caseloads have grown rapidly. The number of AFDC recipients, for example, increased 33 percent between July 1989 and July 1993.

Our plan provides \$2 billion of additional federal funding and raises federal match rates to ease state fiscal constraints and make sure that JOBS, WORK, child support, and prevention programs really work. The federal JOBS match will increase further in states with high unemployment.

Q: How much state flexibility is there in the plan? Can states still submit waivers?

A: The Administration's plan increases state options, recognizing that states are the 'laboratories of democracy' and that certain problems demand local flexibility. Communities will be encouraged to tailor their WORK programs to local labor market needs and circumstances.

The plan will also provide state options to:

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

Demonstrations and pilot programs will allow states to fine-tune the reformed welfare system. We provide demonstration grants for innovative paternity and parenting initiatives, work for wage programs outside the AFDC system, different work support strategies and Child Enforcement and Assurance programs. States may also continue to submit waivers.

Q: Who develops/controls the new WORK programs? What is the federal role? state role? local role?

A: The WORK program will be administered by a state agency, typically the IV-A agency unless the Governor designates another entity. The administering agency will receive federal grants and be held responsible for submitting program and financial reports and meeting appropriate performance standards.

States will have wide discretion in spending their WORK program funds and can pursue a wide range of job creation strategies. State governments can design programs to fit local labor market needs: temporarily placing recipients in subsidized jobs, in public sector positions, or with community organizations. States may employ young mothers as child care or home health providers, support self-employment and micro-enterprises, or hire private firms to place participants. We require states to coordinate WORK services with local governments and community interests. Local elected officials will help designate or establish WORK planning boards to aid program operation in each area.