

**Potential Effects of
Congressional Welfare Reform
Legislation on Family Incomes**

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Potential Effects of Congressional Welfare Reform Legislation on Family Incomes

Introduction and Summary

The House and Senate both recently passed sweeping welfare reform bills that would substantially change the current social safety net. These bills would replace Aid to Families with Dependent Children (AFDC) with block grants to the states with a fixed federal payment. In addition, states would be prohibited from using federal money to provide assistance to families for more than five years. The bills also would eliminate federal welfare payments to legal immigrants, reduce SSI benefits for children, and enact a variety of changes in the Food Stamp Program.

The welfare reform legislation is designed to decrease dependency on government assistance and to shift more responsibility for social programs to states. Proponents argue that the changes will improve administrative efficiency and increase work and earnings by welfare recipients, thereby saving public funds with a minimal change in material hardship and poverty. Critics argue that the magnitude of the changes in welfare spending is so large that low-income families would be hurt and poverty increased, even if the changes motivate more welfare recipients to exchange dependency for employment.

This paper presents estimates of how the major income security changes proposed by H.R. 3734 would affect family incomes.¹ We do not include a number of other changes which would have smaller effects on family incomes nor do we consider provisions affecting Medicaid eligibility. Income is broadly defined in this analysis to include cash income, "near cash" income from food stamps, energy and housing assistance, and the earned income tax credit; less taxes. Our methods and analysis follow those used in an earlier study that examined the effects of the 1995 Budget Reconciliation Act on family incomes (Zedlewski, Clark, Meier, and Watson, 1995).² We estimate the effects of the income security and tax changes in the welfare reform bill by comparing how families will fare under new rules compared to current program rules, making reasonable assumptions about how program changes will affect behavior. Since no one can predict these responses with certainty, we also show the sensitivity of the results to alternative behavioral assumptions.

Our findings show that the proposed welfare reform changes would increase poverty and reduce incomes of families in the lowest income group. With the legislation fully phased in, spending on the current social safety net would be reduced by about \$16 billion per year compared to current law. We estimate that 2.6 million more persons would fall below the poverty line as a result, including 1.1 million children. More than one-fifth of all families with children would see their

¹The major provisions of H.R. 3734 are similar to those in the bill subsequently passed by the Senate, except for the food stamp provisions. The House bill differs from the Senate in that it includes an option for State Food Assistance block grants and more stringent restrictions on benefits for nonworking, childless adults. The two bills also differ in the changes to deductions and household definition provisions. CBO estimates that the House bill would reduce food stamp spending by \$2.9 billion more than the Senate bill over the seven-year period.

²The Urban Institute, December 11, 1995. Many of the changes proposed by H.R. 3734 were also included in the 1995 Budget Reconciliation Bill.

incomes fall by about \$1,300 per year, on average. Almost half of the families adversely affected by the legislation currently work, and 4 out of 5 families who would be affected currently have incomes below 150 percent of poverty.

Alternative assumptions about how many welfare recipients move into jobs when their benefits are eliminated do not produce dramatically different results. Most families on welfare are already poor, and most long-term recipients who leave welfare for jobs will not earn enough to move above the poverty line. The proposed changes in the AFDC, SSI, and Food Stamp Programs would reduce the incomes of a large group of low-income families. We show that the effects of the legislation could be mitigated by allowing states to continue assistance for children whose parents do not successfully find work after five years; by increasing the percent of the caseload states can exempt from the time limit; by restoring eligibility for legal immigrants, and by restoring current food stamp benefit provisions for citizens.

Effects of Current Social Welfare Spending

The federal government currently spends about 7 percent of its budget for income security programs that are designed to help low-income families. About \$107 billion of the federal budget goes directly to families to fund cash assistance (Aid to Families with Dependent Children, AFDC, and Supplemental Security Income, SSI), food stamps, housing, and energy assistance, child nutrition programs, and the refundable Earned Income Tax Credit (EITC). State governments spend an additional \$17.5 billion to help finance income security programs³. Three-quarters of the assistance under these programs is provided to families with children.

A large group of American families depends to some extent on the nation's social welfare system.⁴ Approximately one in four families receives assistance from at least one of the programs listed above. Among low-income families with incomes below 130 percent of poverty, government programs assist 6 out of 10 families. These benefits account for nearly one-third of the total income of this group. Most of the rest of their income comes from earnings. Consequently, these income security programs substantially reduce poverty, especially for families with children. When poverty is measured so that income includes not only all sources of cash but also noncash government support, the number of persons who are poor drops from 43 million to 28 million. The poverty rate for children also drops from 24 percent to 14 percent.

Proposed Changes to Social Welfare Spending

The welfare reform bill would make major changes to the three largest social welfare programs -- Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI),

³This includes state spending on AFDC and SSI, in addition to state general assistance programs.

⁴These results are described more fully in "The Potential Effects of the Budget Reconciliation Act on Family Incomes," S. Zedlewski, S. Clark, E. Meier, and K. Watson, The Urban Institute, December 11, 1995.

and the Food Stamp Program. The major changes proposed in the bill are summarized in Table 1.⁵ The most fundamental change proposed by the House welfare reform bill would transform the AFDC program from an entitlement to a lump-sum payment to states for Temporary Assistance for Needy Families. The bill also would prohibit states from using the block grant funds to provide assistance to families who have received benefits for five years. This marks a major shift in the AFDC program from an indefinite source of support to a temporary and transitional one. States could exempt up to 20 percent of their caseload from the five-year time limit based on state-defined criteria. Two other changes would eliminate the \$50 child support pass-through for AFDC families and require the state to implement a "family cap" unless the state legislature enacts legislation to opt out of this provision.

Most noncitizens would lose eligibility for federal assistance under the proposal. AFDC benefits would be denied to noncitizens for their first five years in this country and states would have the option to categorically deny them benefits at any time. Noncitizens would also lose eligibility for SSI and food stamps.

In addition to the noncitizen provisions, the major change proposed to the SSI program would eliminate benefits for disabled children who meet the current law eligibility criteria based on Individual Functional Assessments (IFAs) or maladaptive behavior.

Food Stamp program rules would be modified to increase countable income, reduce benefits, require older children to file with their parents, and limit nonworking childless adults to a one-time, three-month period of eligibility.⁶ The legislation would also enact a means-test for meals served to children in Family Day Care Homes under the Child and Adult Care Food Program. We also assume that child support collections for parents receiving IV-D services would increase due to the bill's provisions to improve child support enforcement.⁷

Estimating Effects on Families

In addition to the direct effects of the program rule changes outlined above, the proposed policies would lead to changes in behavior for states and families. The magnitude and complexity of the full package of proposals make it hazardous to predict how states and families will respond. But such behavioral responses may be critical in determining the overall impact of the policy changes on family incomes and government spending; it is essential to make any assumptions about such

⁵The bill also includes a number of other provisions that would have a smaller effect on eligibility and benefit rules for the various programs. These changes are not modeled in this analysis.

⁶The bill also provides an option for food assistance block grants in some states. This analysis makes the simplifying assumption that no states take this option. However, CBO estimates that this provision would reduce Food Stamp spending by \$2.57 billion over the seven-year period.

⁷The analysis assumes that child support collections for parents receiving IV-D services would be about \$0.9 billion higher (in 1996 dollars) under these provisions. This estimate is based on an analysis of current child support awards and payment patterns in the Current Population Survey Child Support Supplement.

Table 1
Summary of Major Changes in Income Security Programs
Proposed by H.R. 3734 and Included in this Analysis

Program	Proposed Change
Aid to Families with Dependent Children (AFDC)	<ul style="list-style-type: none"> ▪ Replace the AFDC Program with a new Block Grant for Temporary Assistance for Needy Families. The Block Grant would eliminate the entitlement to cash assistance and provide states with a lump-sum payment. States would be given responsibility for designing and administering welfare programs, subject to relatively few federal requirements. Funding for the new block grant would be below projected spending levels under current law. ▪ Prohibit states from using the block grant funds to assist families who have received benefits for five years. Each state could exempt up to 20 percent of its caseload.¹ ▪ Eliminate the \$50 child support pass-through. ▪ Authorize states to determine eligibility for noncitizens and count sponsors' income, and most noncitizens would be ineligible for benefits for their first five years in the country.² ▪ Prohibit states from providing cash benefits to children born or conceived while the parent is receiving AFDC unless the state legislature enacted legislation to opt out of this requirement.³
Supplemental Security Income (SSI)	<ul style="list-style-type: none"> ▪ Eliminate benefits for children who currently qualify due to Individual Functional Assessments (IFAs) or maladaptive behavior. ▪ Prohibit most noncitizens from receiving benefits.
Food Stamp Program⁴	<ul style="list-style-type: none"> ▪ Increase countable income by: (1) lowering the standard and shelter expense deductions; and (2) counting energy assistance as income. ▪ Lower benefits by: (1) setting the maximum benefit equal to the Thrifty Food Plan; and (2) not indexing the minimum benefit for small households. ▪ Prohibit most noncitizens from receiving benefits. ▪ Require children 21 and younger to file with their parents. ▪ Make childless adults age 18-50 ineligible for benefits in any month in which they were not working, with a three-month lifetime exception.
Child Nutrition Programs	<ul style="list-style-type: none"> ▪ Apply a means test and reduce benefits under the Child and Adult Care Food Program (CACFP) for families of children in Family Day Care Homes.

Notes: H.R. 3734 includes a number of other provisions that would have a smaller effect on eligibility and benefit rules for the various programs. These changes are not modeled in this analysis.

1. This analysis assumes that all states exempt 20 percent of their caseloads.

2. This analysis assumes that states will not categorically deny benefits to noncitizens, although some noncitizens will lose eligibility due to deeming of sponsor income and the five-year prohibition.

3. This analysis assumes that states that do not currently have a "family cap" rule will opt out of this requirement, so that there is no net effect of this provision on family incomes.

4. States that qualify may elect to receive a State Food Assistance Block Grant in lieu of participation in the national Food Stamp Program, providing states with flexibility to define eligibility and benefits. This analysis assumes that all states decline the block grant and continue to participate in the national Food Stamp Program.

responses explicit.

We use a fairly optimistic scenario for our basic estimates. First, we assume that all states will maintain their current benefit payments, reducing benefit levels only to compensate for the decreased federal contribution. Second, we assume that all states exempt the full 20 percent of their caseload allowable under Federal law. Based on research on how individuals respond to changes in financial incentives, we predict that two-thirds of mothers who lose welfare eligibility as a result of time limits will find jobs, most at part-time hours.⁸ We assume that they find year-round jobs with an hourly wage of nearly \$6.00.⁹ Most mothers would try to work part time to maximize their net incomes, after work-related expenses and eligibility for other social assistance are taken into account.

Whether the labor market could provide jobs for all these mothers, especially considering their low skill and education levels is uncertain.^{10 11} To allow for this uncertainty we show two alternative scenarios. One considers the possibility that fewer people find permanent jobs, using an estimate that 40 percent of long-term welfare recipients will find work from an analysis of earlier reform proposals completed by the U. S. Department of Health and Human Services and the Office of Management and Budget.¹² This scenario assumes that 40 percent of long-term welfare recipients not exempted from the time limit would find work. The other, more optimistic scenario, assumes that two-thirds of long-term recipients will find jobs, half at full-time hours.

Effects on Program Spending

When fully implemented, the welfare reform bill's provisions would reduce government spending on the major welfare programs by nearly \$16 billion annually compared to current law. Full implementation of the bill is scheduled to occur in 2002 when the five-year AFDC time limit would

⁸ Alberto Martini, "How Important is it to Incorporate a Labor Supply Response when Simulating the Effects of Transfer Program Reforms?" The Urban Institute, April 1995. The analysis accounts for expected earnings less child care, other work expenses, and changes in benefits and taxes to estimate a response that would optimize single mothers' incomes.

⁹ The wage rate is based on an Urban Institute analysis of women represented in the 1990 Survey of Income and Program Participation.

¹⁰ For example, among women receiving AFDC for more than five years, 63 percent have less than a high school education and half have no prior work experience. See LaDonna Pavetti, "Who Is Affected by Time Limits?" in Welfare Reform: An Analysis of the Issues, Isabel V. Sawhill, editor, The Urban Institute, 1995.

¹¹ Some argue that studies of the low-wage labor market indicate that many recipients reaching a time limit will seek but not find steady employment. See, for example, Sandra and Sheldon Danziger, "Will Welfare Recipients Find Work When Welfare Ends," in Welfare Reform: An Analysis of the Issues, Isabel V. Sawhill, editor, The Urban Institute, 1995.

¹² See the 1995 OMB study entitled "Potential Poverty and Distributional Effects of Welfare Reform Bills and Balanced Budget Plans," November 9, 1995.

take place. Table 2 summarizes the effects of the proposed policies at full implementation. This is equivalent to simulating the new policies as if they were implemented in 1996.

AFDC program spending is reduced by \$5.3 billion, with nearly one million families losing all AFDC assistance. Spending on the SSI program falls by nearly \$5 billion (20 percent), and nearly 900,000 fewer persons receive benefits. The bill reduces food stamp spending by \$5.5 billion (23 percent) overall and eliminates 850,000 families from the program, but these effects reflect several sources of change, in addition to the program rule changes.¹³

Effects on Poverty

We estimate that the welfare reform provisions would increase the number of persons in poverty by 2.6 million (Table 3). This estimate uses a measure of poverty that includes families' cash income and noncash income from food stamps, housing assistance, and the EITC, less taxes.¹⁴ Since the bill makes a number of changes in social welfare programs that affect both cash and noncash benefits, this broader measure of poverty more accurately captures the effects of the proposed changes. Most of the increase in poverty occurs for families with children. About 1.1 million more children would be moved into poverty, an increase of about 12 percent.

In addition, the poverty gap -- the difference between poor families' incomes and the poverty threshold -- would increase by around \$6 billion for all families, a 12 percent increase relative to current policies.

Effects on Total Family Incomes

About 10 percent of all families would lose income as a result of the proposed legislation (Table 3). Three-quarters of the families losing income have children. This is to be expected since many of the assistance programs affected by the bill target families with children. Eight million families with children would sustain average income losses of about \$1,300 per family.

The characteristics of families who would lose income under legislation vary by family structure, employment status, and income. Table 4 shows that three-quarters of these families have children; 45 percent are in single-parent families and nearly 30 percent in two-parent families. More

¹³Some families would receive higher income under the welfare reform bill. For example, families entering the labor force may earn income greater than their previous AFDC benefit. Since Food Stamps fall by roughly \$0.30 for every additional \$1.00 in income, some additional savings may result from increased labor force participation among former welfare recipients. On the other hand, if a former AFDC recipient's income falls under the welfare reform bill, Food Stamp benefits may rise to offset a portion of the difference. The Food Stamp estimate captures these offsetting changes.

¹⁴Using the official Census definition of poverty, which counts only cash income, the number of poor persons would increase by 0.8 million people under the proposed legislation -- from 39.1 million to 39.9 million.

Table 2: Budget and Caseload Effects of the Major Provisions of H.R. 3734
(At Full Implementation, in 1996 dollars)

	Total	AFDC	Food Stamps	SSI
Spending <i>(billions)</i>				
Current Law	\$72.2	\$23.7	\$23.8	\$24.6
Change under H.R. 3734	(\$15.6)	(\$5.3)	(\$5.5)	(\$4.8)
Percent Reduction	(22%)	(22%)	(23%)	(20%)
Caseload <i>(000s of families)</i>				
Current Law	---	6,300	11,770	5,820
Change under H.R. 3734	---	(990)	(870)	(850)
Percent Reduction	---	(16%)	(7%)	(15%)

Source: The Urban Institute's TRIM2 model, based on the March 1994 CPS aged to 1996.

Table 3: Effects of H.R. 3734 on Total Family Income, Persons in Poverty, and Poverty Gap
(Income Defined as Cash and Near-cash, less taxes, in 1996 dollars)¹

	Total	(1) with Kids	(2) with Elderly	(3) Other	Children
Number of Families (000s)	110,540	38,280	21,060	51,190	---
<i>Families Losing Income²</i>	11,000	3,180	920	1,900	---
Average Loss	\$1,270	\$1,310	\$1,380	\$1,050	---
Percent Loss	9.5%	7.3%	11.2%	18.3%	---
<i>Families Gaining Income</i>	760	750	---	---	---
Average Gain	\$2,650	\$2,660	---	---	---
Percent Gain	18.4%	18.5%	---	---	---
Number of Persons (000s)	267,640	149,170	34,740	83,730	71,670
Number in Poverty (000s)	30,320	18,570	3,190	8,570	10,350
Change from Current Law	+2,560	+2,120	+230	+220	+1,140
Poverty Gap (billions)	\$56.5	\$20.7	\$5.1	\$30.7	---
Change from Current Law	+\$5.9	+\$4.1	+\$0.6	+\$1.1	---

Source: The Urban Institute's TRIM2 model, based on the March 1994 CPS aged to 1996.

Note: 1. Income is defined as after-tax income plus the value of food stamps, child nutrition programs, energy and housing subsidies, and the EITC.
2. Income losses of \$100 or less per year are considered as no change in income.

Table 4: Characteristics of Families Losing Income under H.R. 3734
(Income Defined as Cash and Near-cash, less taxes, in 1996 dollars)¹

	Number of Families (000s)	Average Loss in Annual Income
Families losing income¹	11,000	\$1,270
Family Characteristics³		
<i>Family Type</i>		
Married couple with children	29.0%	\$1,540
Single parent with children	45.4	\$1,160
Families or single persons without children	25.6	\$1,150
<i>Family Employment Status⁴</i>		
Working, not receiving cash welfare	23.2%	\$970
Working, receiving cash welfare	30.8	\$1,510
Not working, not receiving cash welfare	11.0	\$1,160
Not working, receiving cash welfare	35.0	\$1,290
<i>Family Income Relative to Poverty</i>		
<100% poverty	41.4%	\$1,040
100 - 150%	37.4	\$1,210
150 - 200%	9.7	\$1,930
200% +	11.5	\$1,740

Source: The Urban Institute's TRIM2 model, based on the March 1994 CPS aged to 1996.

- Notes:
1. Income is defined as after-tax income plus the value of food stamps, child nutrition programs, energy and housing subsidies and the EITC.
 2. Income losses of \$100 or less per year are considered no change in income.
 3. Family income and employment status are measured *before* the changes from H.R.3734.
 4. Families are considered as working if annual earnings are greater than \$1,000. Cash welfare includes AFDC and SSI.

than half are working families. Our results also show that more than three-quarters of these families currently have incomes below 150 percent of poverty. Thus, the legislation would reduce the incomes of many different types of families, including many who do not rely on cash welfare payments.

Income losses are smallest on average for families who work and do not receive cash assistance, but even these families lose almost \$1,000 on average (see Table 4). In contrast, two-parent families with children and families combining work and cash assistance would lose over \$1,500 on average. The largest income losses, however, would be incurred by families above 150 percent of poverty, primarily because many of these families receive high SSI benefits or assistance from several programs.

Sensitivity of Results to Assumptions

The cumulative effects of the bill's provisions would result in major shifts in government assistance to families. Because we cannot know for certain how families and states would respond to the new social legislation, we provide additional alternative estimates of the effects of H.R. 3734 under two alternative labor market outcomes. The first more pessimistic alternative assumes that only 40 percent of the nonexempt caseload facing time limits will find jobs. The second more optimistic alternative assumes that two-thirds would find jobs, and half of those mothers would work full time.

We do not make alternative assumptions about state behavior. States would have more flexibility but far fewer federal dollars. They also would have a new and potentially costly mandate to move their welfare population quickly into jobs. Either they would be forced to reduce eligibility and benefits for AFDC families (for example, by setting shorter time limits), or they would need to replace lost federal funds with their own resources. We have no way of predicting which states would add their own resources to the federal-state pot, or which would spend less of their own money on assistance to the poor. Therefore, we maintain the assumption that states would not reduce welfare spending for all of our estimates.

Neither of the alternative labor supply assumptions substantially changes our results. To illustrate this we present estimates of the effect of H.R. 3734 on the number of persons in poverty under the three different labor supply assumptions (see Table 5). Alternative A represents our basic assumption, in which 55 percent of nonexempt AFDC mothers who reach the five-year time limit find part-time employment and 12 percent find full-time employment. Using this assumption, an estimated 2.6 million additional persons would fall into poverty, 1.1 million of whom are children. This represents a 9 percent increase in poverty for all persons and a 12 percent increase for children. Under the more pessimistic Alternative B, 30 percent would find part-time jobs and 10 percent full-time jobs. The number of persons in poverty would increase by 2.8 million (10 percent) and the number of children in poverty by 1.3 million (13 percent). Under the more optimistic Alternative C, 68 percent would find jobs (the same as Alternative A) but half would find full-time employment.

Table 5: Effects of H.R. 3734 on Poverty, Under Alternative Labor Supply Assumptions
(Income defined as Cash and Near-cash, less taxes, in 1996 dollars)¹

Persons in Poverty (000s)	Total	(1) with Kids	(2) with Elderly	(3) Other	Children
Current Law	27,760	16,450	2,960	8,350	9,710
Change Under Alternative Labor Supply Assumptions²					
Alternative A (<i>basic assumption</i>):	+2,560	+2,120	+230	+220	+1,140
Alternative B (<i>more pessimistic</i>):	+2,780	+2,340	+230	+220	+1,280
Alternative C (<i>more optimistic</i>):	+2,490	+2,050	+230	+220	+1,090

Source: The Urban Institute's TRIM2 model, based on the March 1994 CPS aged to 1996.

Notes: 1. Income is defined as after-tax income plus the value of food stamps, child nutrition programs, energy and housing subsidies, and the EITC.

2. Labor supply alternatives apply to nonexempt, long-term recipients as follows:

Alternative A: 56 percent find part-time jobs; 12 percent work full time

Alternative B: 30 percent find part-time jobs; 10 percent work full time

Alternative C: 34 percent find part-time jobs; 34 percent work full time

The number of persons in poverty would increase by 2.5 million (9 percent) and the number of children in poverty by 1.1 million (11 percent).

Some Possible Modifications to the Legislation

The welfare reform legislation would make major changes to AFDC, SSI, and Food Stamps Programs at the same time. Some families depend on only one of these programs for support, but others receive benefits from several programs. The effects on family incomes and poverty obviously depend on the combined effects of all these provisions. Several proposals have been made to modify one or more provisions of the legislation in order to reduce the effects on family incomes but still retain the basic philosophy of the legislation. We show the effects of some of these options on poverty in Table 6.

1. Give states the option to continue some support for children whose parents have lost eligibility for welfare. Currently 31 states have approved or pending waivers to impose time limits. While half of these states would terminate all cash aid when the time limit is reached, others would either reduce aid or require participation in a work program when the time limit is reached. This option would allow states the flexibility to retain a minimum income floor for children and still receive federal matching funds to help cover the additional costs. The children's benefit (or voucher) would be equal to the child's portion of the AFDC grant for families who lose eligibility but do not find jobs.

If all states implemented child vouchers, the number of children moved into poverty would be 140,000 fewer than under H.R.3734, according to our estimates. The increase in the *poverty gap* for families with children would be \$700 million or 18 percent less than under H.R. 3734 (\$5.2 billion compared to \$5.9 billion).¹⁵ While this option would provide some financial support for families who reach the time limit and do not find jobs, it does not have a large effect on the *number* in poverty because most families on welfare are already in poverty even when their food stamp benefits are counted.

2. Increase the exemption from 20 to 25 percent of the caseload. This option would give states flexibility to exempt a larger portion of their caseloads from the time limits. It could be particularly useful in states where it is more difficult to move the welfare caseload into jobs because of relatively high unemployment rates or limited funds for job training and employment assistance. The effects of this option are similar to those shown for the child voucher. Both options would provide a way to protect more families and their children from the effects of a permanent time limit.

3. Restore noncitizen eligibility for SSI and Food Stamps. The proposed legislation would prohibit legal immigrants from receiving SSI or food stamp benefits. Some alternatives have been

¹⁵We show the effects of extending vouchers to children in families who have lost eligibility for welfare in all states because it is not possible to predict which states will take this option. This is consistent with the rest of our analysis that assumes that states implement the maximum allowable benefits.

Table 6: Effects of Modifications to H.R. 3734 on Persons in Poverty and the Poverty Gap
(Income Defined as Cash and Near-cash, less taxes, in 1996 dollars)

Persons in Poverty (000s)	Total	(1)	(2)	(3)	Children
		with Kids	with Elderly	Other	
Current Law	27,760	16,450	2,960	8,350	9,710
Change from Current Law Under:					
<i>H.R. 3734</i>	+2,560	+ 2,120	+ 230	+ 220	+ 1,140
<i>H.R. 3734 Plus:</i>					
25% exemption	+ 2,290	+ 1,850	+ 230	+ 220	+ 960
child vouchers	+ 2,330	+ 1,880	+ 230	+ 220	+ 1,000
restore noncitizen eligibility	+ 1,380	+ 1,200	+ 80	+ 100	+ 690
restore food stamp provisions for US citizens	+ 1,800	+ 1,460	+ 170	+ 170	+ 760
Poverty Gap (billions)	Total	(1) with Kids	(2) with Elderly	(3) Other	Children
Current Law	\$50.7	\$16.6	\$4.5	\$29.5	---
Change from Current Law Under:					
<i>H.R. 3734</i>	+ 5.9	+ 4.1	+ 0.6	+ 1.2	---
<i>H.R. 3734 Plus:</i>					
25% exemption	+ 5.1	+ 3.3	+ 0.6	+ 1.2	---
child vouchers	+ 5.2	+ 3.3	+ 0.6	+ 1.2	---
restore noncitizen eligibility	+ 3.4	+ 2.5	+ 0.1	+ 0.7	---
restore food stamp provisions for US citizens	+ 4.5	+ 3.0	+ 0.5	+ 1.0	---

Source: The Urban Institute's TRIM2 model, based on the March 1994 CPS aged to 1996.

- Notes:
1. Income is defined as after-tax income plus the value of food stamps, child nutrition programs, energy and housing subsidies, and the EITC.
 2. Alternatives to H.R. 3734 increase the maximum exemption from time limits; provide vouchers for children whose parents lose eligibility and do not find jobs; restore SSI and Food Stamp eligibility for legal immigrants; and restore current law food stamps provisions for U.S. citizens.

suggested that would allow current noncitizens to retain eligibility. Others would allow eligibility but increase the amount of sponsors' income counted in the income test for eligibility. To give some sense of the effects of these kinds of changes, we show the effects of simply restoring current rules applied to noncitizens. If eligibility for noncitizens were restored, 1.2 million fewer persons would be moved into poverty, including 450,000 children. The increase in the poverty gap would be narrowed to \$3.4 billion, \$2.5 billion less than under H.R. 3734. *no work assumption*

4. Restore current law food stamp provisions for U.S. citizens. As described earlier, the welfare reform legislation would make many changes in the Food Stamp Program. Benefits for all families would be reduced, and nonworking, childless persons under age 51 would be limited to 3 months of benefits. These changes would reduce the size of the Food Stamp Program, with corresponding reductions in its capacity to offset the income losses from the other provisions of the legislation. Restoring current-law food stamp provisions for citizens would move 380,000 fewer children into poverty compared to H.R.3734. It would also dramatically reduce the effects of the legislation on the elderly and childless adult families. The increase in the poverty gap would be narrowed to \$4.5 billion, \$1.3 billion less than under H.R. 3734.

Conclusions

The welfare reform legislation recently passed by the House of Representatives, if it becomes law, is likely to reduce family incomes and increase poverty. One in ten families would have reductions in total income (including food stamps and other near cash benefits less taxes) averaging \$1,300 per year. Based on this broad definition of income, the legislation would also move about 2.6 million more persons below the poverty line. These results hold even under optimistic assumptions about the ability of long-term welfare recipients to find jobs and under generous assumptions about states' choices under the new block grant legislation. The legislation attempts to decrease families' dependence on welfare by requiring work and strict time limits for welfare eligibility. At the same time it would eliminate SSI and food stamp benefits for legal immigrants, eliminate SSI eligibility for some children, and make substantial changes in the Food Stamp Program. When the legislation is fully phased in the combined provisions would reduce government assistance to low-income families by \$16 billion per year compared to current law.

There is broad consensus that the welfare system in this country needs to be reformed so that states have the flexibility to design more effective systems that move people from welfare to work. This legislation provides state flexibility and mandates strong work requirements for welfare recipients. At the same time it provides states fewer federal dollars and large reductions in other social welfare programs. The findings presented here suggest that the total package of changes would especially hurt low-income families with children. We show some possible modifications to the legislation that would retain more of the social safety net for low-income children and reduce the adverse effects on family incomes. The projected increase in poverty could be attenuated, for example, by increasing the hardship exemption, providing vouchers to support children whose parents do not find work at the end of the time limit, modifying the provisions that affect legal immigrants, and reducing the Food Stamp program cuts.

Appendix A: Methods And Data¹⁶

Our analysis uses the Urban Institute's TRIM2 microsimulation model to calculate the effects of the proposed welfare legislation. The model contains a baseline description of each household, including detailed information about the amounts and sources of income. We estimate the effects of changes in social welfare spending programs by assuming the new program rules were in effect as alternatives to the current system. As described below we also make assumptions about how families will respond to new program rules to provide a range of possible results.

The basic data for the microsimulation model are derived from the March 1994 Current Population Survey (CPS), with demographic information as of March 1994 and income information for calendar year 1993. The CPS is representative of the entire civilian, non-institutionalized population of the United States. We update these data to 1996 using historical changes in incomes and population size through 1994 and projections from the Census Bureau and the Congressional Budget Office for 1995 and 1996.

To estimate the effects of changes in a tax or transfer program for each household, the model implements the same steps that a welfare caseworker would perform to determine benefits or that an H&R Block employee would follow to determine a client's tax liability. Our simulations rely primarily on 1993 program rules; however, we incorporate recently-enacted expansions of the EITC and Food Stamp Program that would be in effect as of 1996 in the absence of any legislative changes. The simulations are extremely detailed, capturing the actual rules and formulae of each tax and benefit program. In the benefit program simulations, eligibility and benefits vary by unit size and state of residence, among other variables. A unique strength of the detailed, microsimulation process is its ability to capture interactions among programs. For example, the TRIM2 model estimates the increase in food stamp benefits that would occur when other sources of income are reduced

¹⁶A more detailed discussion of the model and data used for this analysis is presented in Zedlewski et al, (1995), *op. cit.*

WELFARE REFORM:

Top 10 Ways President Clinton Made the Bill Better

1. PROTECTS CHILDREN'S HEALTH CARE – SAVES MEDICAID

- The President beat back Republican attempts to turn Medicaid into a "block grant," which would have eliminated the guarantee of needed health care for millions of poor children.

2. PRESERVES HEALTH CARE COVERAGE

- One of the primary reasons welfare recipients are unable to make the transition from welfare to work is because of their dependence on the health care coverage included in AFDC. The Republican bill would have eliminated the Medicaid guarantee and taken needed health care away from the poor; President Clinton preserved that guarantee.
- The President fought successfully to ensure that women on welfare continue to receive health coverage for their families for one year when they leave welfare for work.

3. INCREASES FUNDING FOR CHILD CARE & GUARANTEES SAFE CHILD CARE SYSTEM

- The bill the President will sign contains \$4 billion more in child care funding, and it restores health and safety standards for the nation's child care system.

4. PROTECTS NUTRITIONAL GUARANTEES FOR CHILDREN

- The President made sure that the nation's Food Stamp program stayed intact -- despite Republican attempts to dismantle it.
- The President also dropped the deep cuts in the school lunch program that Republicans had proposed.

5. ENACTS TOUGHEST CHILD SUPPORT ENFORCEMENT IN HISTORY

- The President was insistent that tough child support enforcement be incorporated in the bill, including the provision that "deadbeat dads" have their wages garnished, their drivers licenses taken away, or be forced to work off what they owe.

6. ENSURES TAX RELIEF FOR THE WORKING POOR

- The President preserved the Earned Income Tax Credit, which rewards 15 million hard working, low-income Americans and keeps them off welfare.

7. PROTECTS DISABLED CHILDREN

- The Republicans tried to cut aid to disabled children by 25%; President Clinton made sure that provision was eliminated from the final bill.

8. PROTECTS CHILD WELFARE, FOSTER CARE AND CHILD ABUSE PREVENTION SERVICES

- The Republicans tried to block grant key child protection programs which states use to prevent child abuse and provide foster care and adoption assistance. The bill the President will sign restores these programs.

9. PROVIDES INCENTIVES TO WORK

- The President included \$1 billion for performance incentives to reward states for placing welfare recipients in jobs. The vetoed bill included no such funds.

10. ENSURES THAT HELP WILL CONTINUE EVEN IN TOUGH TIMES

- The bill the President will sign doubles the "contingency fund" (from \$1 billion to \$2 billion) which will protect needy families against economic downturns.

FRD QUOTES:

"Continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit . . . the Federal Government must and shall quit this business of relief."

"We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination."

-- Budget Message to Congress, January 4, 1935

RFK Quotes

"[T]he root problem is the fact of dependency and uselessness itself. Unemployment means having nothing to do -- which means nothing to do with the rest of us. To be without work, to be without use to one's fellow citizens, is to be in truth Invisible Man of who Ralph Ellison once wrote." [is to be in truth . . . invisible]

"Fellowship, community, shared patriotism -- these essential values of our civilization . . . come from working together to build a country -- that is the answer to the welfare crisis."

"The answer to the welfare crisis is work, jobs, self-sufficiency, and family integrity."

"We need jobs, dignified employment at decent pay, the kind of employment that lets a man say to his community, to his family, to his country, and most important, to himself, "I helped to build this country. I am a participant in its great public ventures. I am a man."

"The priority here is jobs."

"Work is a mundane and unglamorous word. Yet it is, in a real sense, the meaning of what the country is all about -- for those of us who live in affluent suburbs and for our children no less than for the children in the ghetto. Human beings need a purpose. We need it as individuals; we need to sense it in our fellow citizens; and we need it as a society and as a people."

-- from Press Release, Los Angeles, California, May 19, 1968
following a shorter version delivered as a speech at Los
Angeles Valley College, May 15, 1968

Barbara Jordan quotes:

"We must address and master the future together. It can be done if we restore the belief that we share a sense of national community, that we share a common national endeavor. It can be done. There is no Executive Order, there is no law, that can require the American people to form a national community. This we must do as individuals and if we do it as individuals, there is no President of the United States who can veto that decision. As a first step, we must restore our belief in ourselves. We are a generous people so why can't we be generous with each other? We need to take to heart the words spoken by Thomas Jefferson: 'Let us restore to social intercourse that harmony and that affection without which liberty and even life are but dreary things.' A nation is formed by the willingness of each of us to share in the responsibility for upholding the common good." [1976 convention]

"...We only want, we only ask that when we stand up and talk about one nation under God, liberty, justice for everybody, we only want to be able to look at the flag, put our right hand over our hearts, repeat those words, and know that they are true."

"Public apprehension and fears about the future have provided very fertile ground for a chorus of cynics, and these cynics go around saying that it makes no difference who is elected President of the United States. You must say to those cynics: You are perpetuating a fraud. It does make a difference who is President." [from her 1992 convention keynote]

"We are a party of innovation. We do not reject our traditions, but we are willing to adapt to changing circumstances when change we must. We are willing to suffer the discomfort of change in order to achieve a better future. We have a positive vision of the future founded on the belief that the gap between the promise and the reality of America can one day be finally closed." [1976 convention speech]

"Many fear the future. Many are distrustful of their leaders, and believe that their voices are never heard. Many seek only to satisfy their private wants, to satisfy their private interests. But this is the great danger America faces, that we will cease to be one nation, and become, instead, a collection of interest groups, city against suburb, region against region, individual against individual, each seeking to satisfy private wants. If that happens, who then will speak for America? Who then will speak for the common good?" [1976 convention speech]

Martin Luther King quotes:

"Every man must decide whether he will walk in the light of creative altruism or the darkness of destructive selfishness. This is the judgement. Life's most persistent and urgent question is, What are you doing for others?"

"An individual has not started living until he can rise above the narrow confines of his individualistic concerns to the broader concerns of all humanity."

"Everybody can be great because everybody can serve...You only need a heart full of grace.

A soul generated by love."

"There is nothing more dangerous than to build a society with a large segment of people in that society who feel that they have no stake in it; who feel they have nothing to lose."

"If a man is called to be a streetsweeper, he should sweep streets even as Michelangelo painted, or Beethoven composed music, or Shakespeare wrote poetry. He should sweep streets so well that all the hosts of heaven and earth will pause to say, here lived a great streetsweeper who did his job well."

"I believe that unarmed truth and unconditional love will have the final word in reality. This is why right, temporarily defeated, is stronger than evil triumphant."

ment far more than under a civil-works program; and since PWA hired in the general labor market instead of concentrating on the relief rolls, it had only a secondary impact on the plight of the jobless. In addition, on the strictly economic side, Hopkins could argue plausibly for support of demand: "Recovery through governmental expenditures requires that Government money automatically goes to the lowest economic strata. It is there that occurs automatically the greatest number of respendingings."²

III

What finally emerged from Warm Springs was the broad idea of a \$5 billion program, made up, in a proportion yet undecided, of both short-term and long-term public works, though with the President obviously inclined toward the Hopkins approach. The next hurdle was the budget. Morgenthau and Daniel Bell, the Acting Director of the Bureau of the Budget, were determined, as zealous guardians of national solvency, to hold federal spending down. In the end-of-the-year conferences with Roosevelt on the budget message, they insisted stoutly on the dangers of inflation and the need for controlling the spending agencies. ("I am going to accomplish just what [Lewis] Douglas wanted a year ago," Morgenthau noted in his diary, recalling Douglas's attempt, before he left the administration, to require emergency agencies to obtain Budget Bureau approval before further funds could be obligated, "only I am going about it in a roundabout way and am sugar-coating it so that I hope they will not recognize it.") The President seemed surprisingly tractable during the budget talks; he never got irritated, never raised his voice, agreed to the insertion of a sentence (written by Charles Merz of the *New York Times*) pledging that all expenses beyond relief and works would be covered by Treasury receipts, and contented himself by saying philosophically at the end, "Well; my Budget Message is so tory that I will have to put in all of my radical suggestions in my message to Congress."

The message to Congress of January 4, 1935, contained vigorous language on the relief problem. "Continued dependence upon relief," Roosevelt said, "induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out

relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. . . . The Federal Government must and shall quit this business of relief." The only answer, Roosevelt suggested, was to provide *work* for all those able to work. "We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance and courage and determination."

To this end he advocated (adopting Hopkins's proposal) a national program aimed at putting 3.5 million men to work on an appropriation of \$4 billion (plus \$880 million unspent from previous appropriations), the sum to be allocated at the discretion of the Executive and to be administered by a unified works agency. The President laid down a set of criteria: the work undertaken should represent a permanent contribution to the nation; the wage paid should be a "security wage" — higher than relief dole but not so high as to deter people from private employment; as far as possible the projects should employ a large number of people, should be self-liquidating, should be located in distressed areas, and should not compete with private enterprise. As for those now on federal relief who would not fit into a works program — the unemployables — these, Roosevelt said, except for certain categories scheduled for aid under the pending social-security program, should be cared for by their communities as they had been before the New Deal.⁹

IV

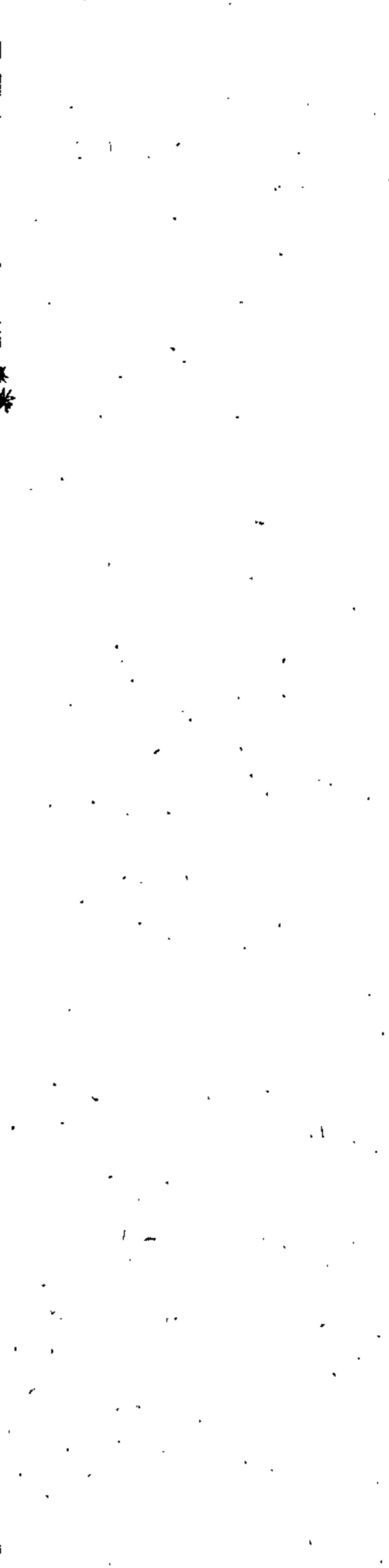
The new proposal, submitted in the form of a joint resolution, now began a slow passage through an unenthusiastic Congress. The resolution asked, in effect, for a lump sum to be allocated pretty much at presidential discretion. Its congressional managers had no detailed information about how the funds would be used. And because Roosevelt still had not decided who would be in charge, no administration official was able to take responsibility for future policy in the hearings. Both Ickes and Hopkins testified as if in an administrative limbo, their language displaying wariness as well as hope.

The House passed the resolution with dispatch late in the month. Then it bogged down into two months of debate in the

told the new Congress that the federal government "must and shall quit this business of relief," that "work must be found for able-bodied but destitute workers," and that this work must be useful—"useful in the sense that it affords permanent improvement in living conditions or that it creates new wealth for the nation." He said: "I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves, or picking up papers in public parks. We must preserve not only the bodies of the unemployed from destruction but also their self-respect, their self-reliance and courage and determination."* He spoke vaguely of uniting "all emergency public works . . . in a single new and greatly enlarged plan," superseding FERA "with a coordinated authority . . . charged with the orderly liquidation of our present relief activities and the substitution of a national chart for the giving of work." (This vagueness of speech sent power-hungry Ickes into a tizzy of anxiety; he confided to his diary his fear that power-hungry and administratively incompetent Richberg would be named coordinator of the whole emergency public works program and promised himself that if this happened, he would get out of public works altogether.)

Guidelines for the new program were listed. The wage rate for this public employment "should be larger than the amount now received as a relief dole, but . . . not so large" as to encourage the leaving of private for public employment or to discourage the leaving of public for private employment. The projects selected should be highly labor-intensive and "planned so as to compete as little as possible with private enterprise." They should be located in areas having the "greatest unemployment needs as shown by present relief rolls." As for "the work itself," it would "cover a wide field," the description of which in the message seemed to readers of the *New York Times* obviously reflective of the program Harry Hopkins had carried in his briefcase to Warm Springs in late November. Implied was another omnibus bill involving another huge grant of legislative power to the executive. No single item of the project program would be mandated; every item would be, instead, of a "permitted" or "enabled" nature. Which is to say that insofar as the bill contained work program specifics, these would be no more than indications of areas of possible activity, areas of free choice for the executive. Mentioned in the message were slum clearance where private capital could not or would not do the job; rural housing where, again, the necessary private capital was not forthcoming; rural electrification; watershed reforestation to reduce flood-making runoff; soil erosion control; reclamation of "blighted areas"; "extension and enlargement of the successful work of the Civilian Conservation Corps"; and improvement of

*Listening to these words, Ickes deemed them an implied criticism of Hopkins's CWA operation and was greatly pleased by this presumed fact. Actually, unknown to Ickes, Hopkins had helped draft the speech and had contributed some of the specific language which Ickes found so maliciously satisfying.



There is no real wealth but the labor of man.

Percy Bysshe Shelley

Freedom of contract begins where equality of bargaining power begins.

Oliver Wendell Holmes, Jr.

There is no right to strike against the public safety by anybody, anywhere, anytime.

Calvin Coolidge

Fight labor's demands to the last ditch and there will come a time when it seizes the whole of power, makes itself sovereign and takes what it used to ask for.

Walter Lippmann

Long ago we stated the reason for labor organization. We said that a union was essential to give laborers opportunity to deal on an equality with their employer.

U.S. Supreme Court

The workers are the saviors of society, the redeemers of the race.

Eugene V. Debs

The strike is the weapon of the industrial jungle.

Sidney Hillman

It is labour . . . which puts the greatest part of value upon land, without which it would scarcely be worth anything.

John Locke

Wages are the measure of dignity that society puts on a job.

Johnnie Tillmon

At present, the support of a family is a hidden tax on the wage earner—his wage buys the labor power of two people.

Margaret Benston

Labor, like Israel, has many sorrows.

John L. Lewis

Have you ever told a coal miner in West Virginia or Kentucky that what he needs is individual initiative to go out and get a job where there isn't any?

Robert F. Kennedy

PART FOUR: THE 1968 PRESIDENTIAL CAMPAIGN ♦ 383

elation for many of the traveling press and for some of Kennedy's closest aides. One of them, Jeff Greenfield, later reflected that "Nebraska was the first time that I really saw . . . Robert Kennedy's ability to command very different kinds of political constituencies. In Nebraska I saw the way he related to people who had nothing in common with him at all. You don't think of Robert Kennedy as a man of the cities, exactly, but he was of New York, Boston, and Washington—that scene. And he certainly wasn't a farmer. Yet, there was a kind of communication between him and . . . almost Grant Wood kind of characters in a sense—leather-skinned, very hard working people, very traditional values . . . they probably didn't like . . . antiwar demonstrators. Outside of Omaha, they might not have seen a Negro in their lives . . . the people who would be the last people in the world you would imagine Robert Kennedy to have any relationship with, who really had come not to scream and to yell and to cheer, but to listen. And he got through. . . . It really taught me a lot about him." ♦

REFORMING THE WELFARE SYSTEM

Press Release

Los Angeles, California

MAY 17, 1968

THE PRIMARY RACE quickened after Nebraska: Oregon's was two weeks later, and the season's second richest delegate prize, California, one week thereafter. Accordingly, although he had failed in Oregon to establish a functioning campaign structure or to connect with the state's largely suburban electorate, Kennedy raced through a hectic three-day schedule in the Golden State. As the foray was beginning, the campaign released a major white paper setting forth Kennedy's views on welfare reform (he had delivered a shorter version to a crowd of ten thousand at Los Angeles Valley College on May 15.)¹

Kennedy's insistence on real and fundamental change never had been satisfied merely by the passage of legislation or the establishment of programs. Increasingly after entering the Senate, he strongly questioned

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the efficacy of many government actions designed to benefit poor Americans—including those programs he had helped design. Key among the failures, in Kennedy's view, was the welfare system, which he had criticized for years. His approach transcended traditional ideology—for welfare failed those who funded it, as well as those who received its assistance. ♦

Perhaps the area of our greatest domestic failure is in the system of welfare—public assistance to those in need. There is a deep sense of dissatisfaction, among recipient and government alike, about what welfare has become over the last thirty years, and where it seems to be going.

Welfare is many things to many people. To the recipient it may be the difference between life and starvation, between a house and homelessness, between the cold wind and a child's coat. To the taxpayer—facing inflation in the cost of living, paying for his home and educating his children—welfare may be an unwarranted imposition on an already overburdened tax bill. To certain politicians, willing to oversimplify and confuse the issue, it may be a means to easy popularity. . . .

The bill is rising further everyday.

With all this enormous expenditure, might we not expect that the recipient would be satisfied? Yet the fact is that they are not. They are as dissatisfied with the welfare system as is anyone in the U.S. . . . Is this rank ingratitude—or is it an indication of how the welfare system has failed? For what are we to make of a system which seems to satisfy neither giver nor recipient—which embitters all those who come in contact with it?

The worst problem is in our very concept of welfare. . . . Welfare began as a necessary program of assistance for those unable to work. But we have tried as well to make it the easy answer to the complex, but by no means insurmountable, problem of unemployment. . . .

[The unemployed] are men like other men. They marry and have children; or they do not marry, but have children just the same. In either case, they often leave home under the strain of joblessness and poverty. We have dealt with the resulting female-headed families not

PART FOUR: THE 1988 PRESIDENTIAL CAMPAIGN ♦ 185

by putting the men to work but by giving the mothers and children welfare. They might have wanted fathers and husbands; we have given them checks. In fact, the welfare system itself has created many of these fatherless families—by requiring the absence of a father as a condition for receiving aid; no one will ever know how many left their families to let them qualify for assistance so that they might eat, or find a place to live.

More basically, welfare itself has done much to divide our people, to alienate us one from the other. Partly this separation comes from the understandable resentment of the taxpayer, helplessly watching your welfare rolls and your property tax rise. But there is greater resentment among the poor, the recipient of our charity. Some of it comes from the brutality of the welfare system itself; from the prying bureaucrat, an all-powerful administrator deciding at his desk who is deserving and who is not, who shall live another month and who may starve next week.

But the root problem is in the fact of dependency and uselessness itself. Unemployment means having nothing to do—which means nothing to do with the rest of us. To be without work, to be without use to one's fellow citizens, is to be in truth the Invisible Man of whom Ralph Ellison wrote. . . .

We often quote Lincoln's warning that America could not survive half slave and half free. Nor can it survive while millions of our people are slaves to dependency and poverty, waiting on the favor of their fellow citizens to write them checks. Fellowship, community, shared patriotism—these essential values of our civilization do not come from just buying and consuming goods together. They come from a shared sense of individual independence and personal effort.

They come from working together to build a country—that is the answer to the welfare crisis.

The answer to the welfare crisis is work, jobs, self-sufficiency, and family integrity, not a massive new extension of welfare; not a great new outpouring of guidance counselors to give the poor more advice. We need jobs, dignified employment at decent pay; the kind of employment that lets a man say to his community, to his family, to his country, and most important, to himself, "I helped to build this country. I am a participant in its great public ventures. I am a man." . . .

THE ♦ RFE: COLLECTED SPEECHES

It is a myth that all the problems of poverty can be solved by ultimate extension of the welfare system to guarantee to all, regardless of their circumstances, a certain income paid for by the federal government. Any such scheme, taken alone, simply cannot provide the sense of self-sufficiency, of participation in the life of the community, that is essential for citizens of a democracy. . . .

Certainly, all the proposals for various systems for income maintenance deserve careful study. But if there is anything we have learned in the last three years, it is that we cannot do everything at once—that we must understand, establish, and adhere to a clear sense of national priorities. The priority here is jobs. To give priority to income would be to admit defeat on the critical battle front. . . .

Work is a mundane and unglamorous word. Yet it is, in a real sense, the meaning of what the country is all about—for those of us who live in affluent suburbs and for our children no less than for the children in the ghetto. Human beings need a purpose. We need it as individuals; we need to sense it in our fellow citizens; and we need it as a society and as a people.

IN THE SECTIONS of the press release omitted above, Kennedy called for replacing the welfare bureaucracy with an automatic system based entirely on need, having national standards and substantial incentives (not penalties) for people to work and raise happy families. The speech included one of the earliest calls for improved and expanded day care and a passionate argument against a system that penalized out-of-work fathers who remained with their families. Many of the inadequacies he spotlighted remained in the welfare schema in the decades after his death. ♦

THE WHITE HOUSE
WASHINGTONOffice of Legislative Affairs
House Liaison
FAX Cover Sheet

Date

8/20

To:

Bruce Reed

Fax number:

6-5557

From:

Ann Cattalini

at (202) 456-6620

Comments:

- ① Attached is info on Miss Handin for the briefing paper
- ② Also attached is our draft congressional staff list. Please let me know if we've missed anyone.

Note: The information contained in this facsimile message is **CONFIDENTIAL** and intended for the recipient **ONLY**. If there is a problem with the transmission, please contact the sender as soon as possible.

Number of pages including cover: _____

Lillie Harden
Little Rock, AR

Lillie Harden, a native of Little Rock, is a former welfare recipient who found work after participating in the Arkansas "Work Program." At an NGA meeting in 1986 in Hilton Head, SC, she testified in front of the Committee on Human Resources that, "the best thing about work is not a check. The best thing is when my boy goes to school and they say, 'What does your Momma do for a living,' he can give an answer."

After being laid-off from a VA hospital in 1984, Mrs. Harden started receiving assistance for herself and her three children. After 5 months on welfare, she participated in Arkansas' "Work Program," after which she was hired as a kitchen manager at the Best Western hotel in Little Rock. Subsequently, she worked as a supervisor for "Meals on Wheels," a cook at the D&D cafe, and now at the deli department at the Kroger's supermarket.

She has four children. Her oldest son, Carlton Harden, 24, works at a hospital in Washington State. Her son Billy Rogers, 21, is a pre-med student on a football scholarship at the University of Arkansas at Fayetteville. Her daughter Sharonda Rogers, 19, is studying engineering technology at the University of Arkansas at Pine Bluff. Mrs. Harden also has a 10 year-old daughter named Shanika in the 4th grade.

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CLINTON TRANS.

P. 03/06

LITTLE ROCK (Postcard)

Arkansas

AUG 26 1988

NLR mother finds benefits of workfare

BY MEREDITH OAKLEY
OAKLEY Staff Writer

HILTON HEAD ISLAND, S.C. — One morning about three years ago, Little Harden of North Little Rock broke away from her TV soap opera long enough to check the mail.

Her welfare check wasn't there.

Ms. Harden, now 22, had been living off government aid for about a year, and she was unhappy because her three children wanted to participate in activities that she could not afford.

It wasn't exactly the type of atmosphere in which she had grown up. Her mother, she recalls, reared four children with the help of a job that had paid a mere \$10 a week.

"I was lazy," Ms. Harden told a group of the nation's governors Monday. "I didn't care, and I wanted to sit at home and do nothing."

The thought of doing nothing quickly left her mind that morning three years ago when

the welfare check didn't arrive. Alarmed that the check might be some time in coming, she literally went to work.

Ms. Harden enrolled in a work program sponsored by the Arkansas Department of Human Services for the past two years she has been a cook and kitchen supervisor at the Best Western Cotton Tree Inn near Protha Junction. Recently she began private catering on a limited basis and is trying to parlay it into full-time self-employment.

"It's a good cake," she said. Ms. Harden was one of four young women, all former welfare recipients now gainfully employed, who discussed life on the slide with the National Governors' Association's Committee on Human Resources.

Arkansas Gov. Bill Clinton is co-chairman of the committee, which is devising strategies to reduce welfare dependency.

The cornerstone of welfare reform, the governors agree, is prevention.

Guided Ms. Harden, women from Massachusetts, South Carolina and Delaware told her they broke the cycle of welfare dependency through state-sponsored job training.

Ms. Haynes had a literacy education but said she never dreamed that "the only thing that kept me from getting a job was that I didn't know how to produce myself or fill out a job application."

She learned those things in the training program.

"The first (interview) was on (after completing the training program), I got a job," she said. "Now I can do anything I feel like doing. Nothing holds me back. My children (are) proud of me."

If the NGA committee was looking for testimonials for job training, they got them.

All except Ms. Harden said the workfare program — whereby unemployed welfare recipients must "reimburse" the state by working part-time jobs for their benefits — isn't truly beneficial.

"Workfare doesn't work," said Dawn Lawson of Massachusetts, who learned word processing after seven years as an unwed mother on welfare and now works for a Fortune

500 company. "These jobs are jobs someone else already holds."

"Workfare is decreasing to me," said Shelley Wilson of South Carolina, a former teenage mother who spent seven years "off and on" welfare. "There doesn't seem to be anything at the end of the road."

Opportunity for job training, not making work that requires no special skills, is the answer, they said, and participation in such programs should be mandatory.

Rebecca Varela, now an employment and training manager with Delaware's Health and Social Services Department, became a second-generation welfare recipient when she, too, became an unwed mother.

Her mother had stayed on welfare for years because Rebecca was "a sickly child," and her mother couldn't find a job that provided the security of health insurance.

But Ms. Varela used the system to beat the system, staying on public assistance only until she graduated from college and landed a career.

"I think I'm an exception to the rule that children raised on welfare will always be on welfare," she said.

CLINTON TRANS.
NEW YORK CITY
APPROXIMATELY 11:00 AM
LITTLE ROCK, AR
N-131.000 2-12-88

AUG-28-88

Welfare

Continued from Page 1A.

of the Association at its final meeting today, arranged for Harden to appear with three other former welfare recipients to discuss welfare reform.

Harden received Aid to Families with Dependent Children for six years before participating in Arkansas's work program, which teaches welfare recipients job skills. She has been employed for two years as a cook at the Cotton Tree Inn at North Little Rock.

She told the governors the work program taught her how to fill out a job application and gave her the confidence to seek employment.

When asked how the present welfare system could be improved, she proposed that if welfare recipients with children over age 4 would not participate in work programs, "then cut 'em off." She said her suggestion should not apply to women with children under age 4 because "you can't depend" on day care.

Says 'em off'

Most women on welfare "are just like I was — lazy," she said. She said she "got tired of sitting home waiting on the welfare check" to arrive each month and that prompted her to join the work program.

When asked about poor people being unable to get transportation to and from a job, Harden also commented that as a problem. "I had no car, but I wanted to work and I got there."

Harden also complained that enforcement of child support payments from fathers was not strong enough. She said the father of her child refused to pay child support and it took her four years to get state officials to serve legal papers to force him to make the payments.

Mr. Clinton praised and thanked Harden "for coming all the way to South Carolina to make our state better." He added that the serving of orders in child support cases has been a problem and state officials are trying to correct it.

Continued from Page 1A

In other matters Monday, a controversy over the vice chairman's position developed between Governor Robert B. Orr of Indiana and John W. Sununu of New Hampshire, both Republicans. The vice chairman's position rotates between Republicans and Democrats and the vice chairman traditionally becomes the chairman. Mr. Clinton said he was staying out of it.

'Cut 'em off,' governors told

HILTON HEAD, S.C. — If welfare recipients refuse to participate in work programs, "then cut 'em off" from their welfare benefits. Little Harden of North Little Rock, a former welfare recipient, told the nation's governors meeting at Hilton Head Monday.

Harden testified before the Human Resources Committee of the National Governors' Association at the annual conference.

Harden also demonstrated her commitment to her job by declining to stay over at the resort island where the conference is being held.

She flew Monday from Little Rock to attend the conference and flew back the same day to keep from missing more than a day's work, aides to Governor Bill Clinton said.

Mr. Clinton, who will rise from vice chairman to chairman

(See WELFARE on Page 4A.)

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CLINTON TRANS.

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BIOGRAPHIES OF WELFARE PANEL PARTICIPANTS**Moderator:**

Ken Auletta is the author of The Underclass, published in 1982, and three other books on aspects of life in New York City. He is currently a columnist with the New York Daily News. His articles on poverty and other topics have appeared in the New Yorker and other publications.

Panelists:

Lillie Harden, of North Little Rock, Arkansas has been employed for the last two years as a cook with the Cotton Tree Inn. In that time, she has earned promotions and has provided leadership to co-workers. She gained employment as a result of her participation in Arkansas' "Work Program" where she attended job club activities, established employment goals, and improved her self image. Prior to her enrollment in the "Work Program" she had never been able to keep a job for more than six months. When Ms. Harden enrolled in the program, she was 28, had three children, ages six to twelve, and a high school education. She had been receiving AFDC benefits for two years.

Rebecca Varella, of Wilmington, Delaware is the Employment and Training Manager with Delaware's Department of Health and Social Services. She has also worked as the executive assistant to a county executive, and as a home-school liaison for a county vocational technical school district. Before achieving self-sufficiency, Ms. Varella was a second-generation welfare recipient; she received public assistance with her mother for 15 years, then on her own for four years.

Shelley Wilson of St. Matthew, South Carolina, is an Adult Companion in South Carolina's Teen Companion Program. She is a former teenage mother and AFDC recipient.

Woods -

Welfare Reform Signing Ceremony
Hill Staff

House Leadership

Andi King, Gephardt
Julie Tippins, House Dem Caucus

Ways and Means

Phil Moseley, Archer
Ron Haskins, Shaw
Janice Mays, Gibbons
Deborah Colton, Gibbons
Sandy Wise, Gibbons
Nick Gwynn, Kennelly
Kathy Havey, Johnson
Eric Gould, Levin
Kathy Sullivan, Neal

EEO

Jay Egan, Goodling
Gall Weiss, Clay
Lynda Thell, Woolsey

Others

Ed Lorenzen, Stenholm
Chad Jenkins, Tanner
Bridgett Taylor, Dingell

Senate Leadership

Larry Stein
Grace Roof
Lauren Griffin
Ranit Schmelzer

Finance

Lindy Pauli, Roth
Dennis Smith, Roth
Laurie Rubiner, Chafee
Katherine Hayes, Chafee
Laird Burnett, Moynihan
Mark Patterson, Moynihan
Cynthia Rice, Breaux
Barbara Pryor, Rockefeller
Mark Schmidt, Bradley
Melanie Hansen, Conrad
Joanne Cunningham, Baucus

Labor

Nick Littlefield, Kennedy
Jane Loewenson, Dodd
Diana Huff, Dodd
Kimberly Barnes O'Connor, Kassebaum
Stephanie Monroe, Coats

Budget

**Bill Dauster
Joan Huffer**

~~to Bill Clinton Thomas no Paul testar~~

6570A

~~Wally~~

THE WHITE HOUSE
WASHINGTON

① Jobs — We have to work on jobs.

② Look at gas — we're all responsible
for the children of this country.
We're in this together.

60M minutes

As long as I'm here, I'm not going to a back away from kids, and turn our backs. This is the beginning, states should be responsive.

WELFARE REFORM IMPLEMENTATION FACT SHEET

This document is an update on our efforts to ensure that welfare reform is implemented smoothly and effectively.

We have formed an inter-agency working group to coordinate implementation, which met for the first time on August 9 and will meet on a weekly basis. We have established three subgroups. One will monitor key implementation milestones, identify and resolve issues, and ensure deadlines are met. A second group is developing proposals to expand job opportunities for those leaving welfare. A third group will coordinate Presidential welfare events.

One key element of implementation is work with the states through the National Governors' Association (NGA), the National Conference of State Legislators (NCSL), and the American Public Welfare Association (APWA) to ensure smooth federal-state communication. Intergovernmental Affairs is coordinating Cabinet agency contact with state and local officials on all implementation issues. NGA, NCSL, and APWA will meet on implementation issues on September 9 and 10, including governors' senior policy staff, state legislative leaders, and state social service commissioners. Intergovernmental Affairs is working with NGA to negotiate the agenda of that meeting, including making Federal officials available for briefings.

This document summarizes the work of the subgroup dealing with implementation. There are a tremendous number of difficult implementation challenges raised by the bill. All affected agencies are at work developing their own timelines and work plans. We will be compiling these agency plans so that there is one overall framework for monitoring implementation. The following is a list of some of the main deadlines and challenges that we have so far identified.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) BLOCK GRANT

As you know, the bill creates the new block grant to replace AFDC and requires that states transform their AFDC systems to TANF by July 1997. There are several major issues that we will be tracking as HHS manages this transition:

- o Early Implementation -- States have the option of implementing the block grant immediately, and it is financially advantageous for them to do so. Some states may be ready to go immediately on enactment. We will be working to clarify with HHS the process and timetable for approving these plans. You should know that many states, including California, will need to seek approval from their state legislatures before submitting plans. No states are expected to call special sessions this fall on these issues.
- o Regulations -- HHS is preparing a preliminary list of areas in which it sees a need to regulate under the statute. We will be working with HHS to ensure that the new program is appropriately, but not overly, regulated.

- o Guidance to States -- HHS is also considering issuing guidance to states on how to construct their new block grant plans. We will be working closely with HHS on this guidance to ensure that it is useful and helpful to the states.
- o Approved Waivers -- The bill lets states continue to operate existing waivers. However, the bill's language is unclear about the scope of these provisions, especially the treatment of work requirements and time limits. It appears that the bill's drafters did not intend to exempt states from the work participation rates, but only to provide them with some flexibility in defining work activities. In addition, waivers that apply to only a few counties in a state can not be extended to the entire state. As for time limits, Michigan has waivers that do not include a time limit on benefits and has indicated it will continue on this course in the plan it submits, rather than adopt time limits as required by the bill. New Hampshire may follow suit. Determining the best course for clarifying the intent of the waiver provisions -- seeking legislation or through regulation -- will be one of the implementation group's first major issues.
- o Pending and Future Waivers -- HHS has approved eight waivers in the past two days, three of which arrived after you announced you would sign the bill (D.C., Idaho, and Kansas). Wisconsin is not yet approved. HHS is prepared to act on future waiver requests until July 1, 1997 should states ask for them.
- o Other issues -- There are a whole series of operational issues the group will be addressing including the establishment and management of the Performance Bonus Fund and the Contingency Fund.

CHILD SUPPORT ENFORCEMENT

The bill requires an increased Federal role and significant state activity in this area. States must have enabling legislation in place by the end of their 1997 sessions. Federal data processing systems have to be able to interact with state systems by October 1997. We must develop a registry of new hires and a case registry, and enhance the Federal Parent Locator Service. HHS has scheduled training conferences and set up joint working groups with the states. One change of interest is that states will no longer be required to pass the first \$50 of monthly support collections to the family receiving assistance as of October 1, 1996.

IMMIGRANTS

Obviously, the cross-cutting impact of the immigrant provisions of the bill will be a central concern on implementation. Among the key impacts:

Change Admin. status at INS
- We deem that citizenship for benefits elig/papers
→ Talk to Gingrich + Lott

3

- o Food Stamps -- Upon enactment, legal aliens applying for food stamps will no longer be eligible. Immigrants currently receiving benefits will lose them at the time of their regularly scheduled recertification, with all such immigrants to be removed from the program within one year of enactment. About 900,000 participants (including 300,000 children) will be ineligible in the first year; approximately 250,000 participants will lose benefits in the first three months after enactment.
- o Supplemental Security Income (SSI) -- Upon enactment, most immigrants who apply for SSI will not be eligible. Current immigrant recipients will get benefits until the Social Security Administration (SSA) determines they are no longer eligible. By March 1997, SSA must send notices to the 1.1 million current recipients who may be legal immigrants and request evidence of their citizenship status. If the immigrant provides evidence that he or she is not eligible or fails to respond, SSA will notify the individual that benefits will be stopped. The amount of time the recipient has to respond to the first notice appears to be at SSA's discretion, although all redeterminations must be completed within one year of enactment. SSA is exploring timing options, with the intent of providing recipients as much time as possible within the law to naturalize. An estimated 300,000 to 400,000 recipients are expected to come off the rolls.

We will be focusing on two overarching issues in implementing these and the other immigration provisions:

- o Verification -- Developing a workable and fair system of verifying citizenship status that meets the needs of the various systems affected is a daunting challenge. The legislation outlines ambitious timelines, and an administration workgroup is already at work putting proposals and options together.
- o Naturalization -- In anticipation of the restrictions on benefits, many immigrants have already applied for citizenship and many more will apply as the restrictions take effect. INS has been working on initiatives to speed up the naturalization process. The Citizenship U.S.A. initiative is designed to respond to the large increase in applications and expects to naturalize 1.2 million immigrants this fiscal year. INS is also working with SSA and OMB on a new regulation that will waive English and civics test requirements for immigrants with certain serious disabilities and perhaps establish a special waiver for many disabled immigrants receiving SSI.

FOOD STAMPS -- NON-IMMIGRANT PROVISIONS

Eligibility for 18-50 Year-old Childless Adults -- Most able-bodied adults without children will now be limited to 3 months of food stamps in a 36-month period if they are not working or participating in a work or workfare program. For current recipients, this limit is effective 3 months after enactment. One million current recipients will become ineligible within six months. Households remain ineligible for the balance of the 36-month period unless they obtain work or get a slot in a job training or workfare program.

Making the extensive changes to their computer systems to determine the eligibility of individuals who are dropped from the rolls and to track new recipients against the time limits will be a major implementation challenge to states.

Benefit Levels -- Changes to the standard income deduction and the excess shelter deduction will reduce benefits for nearly all of the 25 million monthly participants. Food stamp allotments will still increase under these changes, but much less than under prior law. The impact increases over time -- by 2002, average benefits will be nearly 20% lower.

These provisions involve relatively simple computer changes. The Department of Agriculture (USDA) expects most states will be able to implement them on October 1 and January 1, respectively, without delay.

OTHER KEY PROVISIONS

SSI for Children -- The bill tightens SSI eligibility for children with disabilities. Upon enactment, new applicants who do not meet the new standard will be ineligible. Current recipients will get benefits until SSA makes a redetermination that they are no longer eligible. Children whose cases must be reviewed will receive notices by January 1997. Those found no longer eligible will be sent a notice that benefits will be stopped. In certain cases, benefits may continue until the first level of appeal is completed. The bill calls for all redeterminations to be completed within one year of enactment. An estimated 285,000 initial notices will be sent and an estimated 190,000 children are expected to come off the rolls. SSA is working on the plan for the timing of the release of the first notices and the subsequent processes.

Medicaid -- The Medicaid program faces two major challenges in implementation: (1) delinking eligibility for Medicaid from the welfare system, and (2) assessing the impact on pending and existing waivers. The Health Care Financing Administration is working closely with other parts of HHS and with SSA to meet these challenges.

Child Care -- The bill block grants several child care programs, effective at the beginning of the fiscal year. While these changes are mostly positive, the timeframe for implementation is challenging.

Monitoring and Evaluation -- One key overarching issue will be to ensure that agencies are establishing effective research, evaluation, and monitoring capabilities to identify the impact of these dramatic changes on the individuals and institutions involved.

DEPARTMENT of HEALTH & HUMAN SERVICES**ASSISTANT SECRETARY for PLANNING & EVALUATION****OFFICE of HUMAN SERVICES POLICY**

Phone: 202-690-7409 FAX: 202-690-6562

Date: 8-15-96
To: Bruce Reed
Phone:
Fax: 456-7028
From: Paul Leger
Number of Pages, including cover: 1

Remarks:

The 30,000 number has been verified.

This is a draft of talking points. It still needs to be cleared through ACF.

DRAFT

NEW PROGRAM FINDS 30,000 DELINQUENT PARENTS

On June 18, 1996 President Clinton announced that he was taking executive action to create a new federal program to track delinquent parents across state lines. Today, President Clinton announced that the new program has already found 30,000 delinquent parents in interstate child support cases. These parents' wages will be garnished for payment of child support. Under this new program parents will no longer be able to escape their obligations simply by fleeing across state lines.

The New Federal Program to Track Delinquent Parents Across State Lines On June 18, 1996 President Clinton took executive action to create a new federal program that would track delinquent parents across state lines. Under the new program, states with new hire reporting programs were asked to send their new hire information to the Department of Health and Human Services (HHS). The state information is matched by computer against lists of delinquent parents sent to HHS from the states.

Preliminary Results Already data from six states has been run and HHS has found 30,000 delinquent parents. This information will be sent back to the states so that they can issue a wage garnishment order and send it to the delinquent parent's employer.

Under Welfare Reform the Program Will Be Even More Effective The welfare bill which the President has said that he will sign includes an even more comprehensive national computer tracking system for locating parents across state lines. When fully implemented, this system will have the capacity to match data every two days, and all states will be required to submit data on new hires and child support cases for computer matching. That system, along with state requirements for new-hire reporting, is projected to increase collections by \$6.4 billion dollars and save the federal government \$1.1 billion dollars over 10 years.

How the State New Hire Programs Work In the past six years, 25 states have adopted new-hire reporting programs that require or encourage employers to report new hires to a state agency. That information is then cross-matched by computer against lists of delinquent child support obligors or individuals otherwise sought by the child support agency. When a match is found, the wages of that obligor can then be garnished or other appropriate action, such as a paternity proceeding, initiated. These programs have been called the single biggest innovation in child support enforcement in the past decade and have significantly increased collections in the states that have adopted them. While these programs can help to locate delinquent obligors within a state, they cannot find those child support obligors who live and work in another state. The program announced by the President on June 18, for the first time, tracks those parents who have crossed state lines.

DRAFT

WELFARE REFORM AND CHILD SUPPORT ENFORCEMENT

○ **The President insisted on the toughest possible child support enforcement measures and got them.** The child support enforcement measures in the welfare reform bill are the toughest ever in the history of this country. These are the same provisions that President Clinton developed as part of his welfare reform bill two years ago. When the Republicans in Congress first introduced a welfare reform bill in 1994, it did not have child support enforcement in it. The President insisted that it be included and it was.

○ **The child support enforcement provisions will affect over 40 million Americans.** Child support enforcement reform affects far more people than just those on welfare. The changes under this bill will affect everyone in this country who should be receiving child support or should be paying it -- over 40 million men, women, and children. Under current law anyone who should be receiving child support in this country can request assistance from the state child support agency to establish paternity or collect child support. This new law gives those state child support agencies the tools and resources to do the job.

○ **Personal responsibility is required of both parents.** The welfare reform bill is all about personal responsibility. It not only requires personal responsibility of welfare recipients (usually mothers), but it also requires personal responsibility of fathers. New laws to promote paternity establishment are incorporated in the bill. The bill will completely streamline the legal process for establishing paternity -- making it much easier and faster to establish paternities. It will also expand upon the in-hospital paternity establishment programs, started by the Administration in 1993, that have been so successful at getting parents to voluntarily acknowledge paternity in hospitals at birth.

○ **The bill will create a child support enforcement system ready for the 21st century.** Requirements for central state registries of child support orders and centralized collections means that child support offices will be run more like modern businesses that can make use of computers, automation, and information technology.

○ **Delinquent parents can run but they can't hide.** A new national computerized tracking system will track delinquent parents across state lines. This means that if a delinquent parent leaves California and gets a job in Texas, the child support agency in California will know within days and can send a wage garnishment directly to the employer in Texas.

○ **This bill contains tough new enforcement tools.** New enforcement tools will expand wage garnishment, allow seizure of assets such as cars and boats, and enable drivers and professional licenses to be revoked for nonpayment. The State Department can even deny a delinquent parent a passport.

○ **New "Family First" distribution policy will help those who leave welfare.** At the Administration's urging, the bill includes new "Family First" distribution rules for those people who leave welfare. They will have first priority for receipt of child support arrears that are collected. This will help them stay off welfare and become self-sufficient and will transfer nearly \$1 billion more than under current law to former welfare recipients in the first six years. In future years, when fully phased in, it will transfer even more money to former welfare recipients.

○ **The bill includes new grants for access and visitation programs.** In an effort to get fathers more involved in the lives of their children, the bill includes state grants to establish and administer programs that support and facilitate noncustodial parents' access to and visitation of their children.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 27, 1996

STATEMENT BY THE PRESIDENT
ON WELFARE

The Oval Office

THE PRESIDENT: Good morning. Today I want to talk with you about welfare reform, but first I want to ask you to join with me in celebrating the sixth anniversary of a landmark civil rights law that is breaking down barriers for millions of our fellow Americans, the Americans with Disabilities Act.

I'm joined today by many of the advocates for people with disabilities who made this the law of the land. Because we have enforced this law vigorously and with common sense, people with disabilities now have access to places they never did before, from classrooms to restaurants.

Since 1991, 800,000 people with severe disabilities have joined the work force. Because of federal education efforts, tens of thousands of children with disabilities have better educational opportunities. Because of Medicaid, health care for Americans with disabilities can be provided without bankrupting their families, and in a way that promotes their independence.

That's a big reason why I oppose repealing Medicaid's guarantee of health care to Americans with disabilities. All these efforts are good for them, but they're good for all the rest of us, too. So today let us all rededicate ourselves to the fight against disability discrimination.

This morning I want to focus on the great welfare debate now unfolding in Washington and all across our country. This debate is really about our fundamental American values, about expanding opportunity, demanding responsibility, and coming together as a community. For decades our welfare system has undermined the basic values of work and responsibility and family, trapping generation after generation of people in poverty and dependency, exiling millions of our fellow citizens from the world of work that gives structure, meaning, and dignity to our lives. It instills the wrong values, sends the wrong signals, giving children who have children a check to set up house on their own, letting millions of fathers walk away from their responsibility while taxpayers pick up the tab.

This system does the most harm to the people it was meant to help. Children who are born to a life on welfare are more likely to drop out of school, fall afoul of the law, become

teen mothers or teen fathers, and raise their own children on welfare themselves.

I just don't believe that a nation as rich in opportunity as ours is willing to leave millions of people trapped in a permanent under class. We can't leave anyone behind. In fact, what I want for poor families on welfare is what I want for middle class families and upper-income families as well. I want people to be able to succeed at home and at work. That will make America stronger and their lives richer.

When I ran for President four years ago, I was very clear, we must end welfare as we know it. And during my time as President, I have used all the powers at my disposal to achieve that goal. We have worked with 41 states to launch 69 welfare-to-work experiments. For fully 75 percent of people on welfare, the rules already have changed. The New York Times called it a quiet revolution in welfare.

I have taken executive action to require teen mothers on welfare to stay in school, requiring mothers to identify the fathers of their children so we can hold every man accountable for the support he owes his family, ordering federal employees to pay child support, putting wanted posters of deadbeat parents in post offices and on the Internet. I directed the Attorney General to crack down on people who owe child support who cross state lines.

All these efforts are paying off at the national and local level. Today there are 1.3 million fewer people on welfare than on the day I took office. Child support collections are up 40 percent, to \$11 billion. Paternity identification is up 40 percent, too. We're mending our social fabric and moving in the right direction.

Now we have an opportunity to finish the job and pass national welfare reform legislation. Real welfare reform should impose time limits and require work and provide child care, too, so that people can go to work without hurting their children. It should strengthen our child support enforcement laws even more and do more to protect children.

I have challenged Congress to send me bipartisan legislation that reflects these principles. For example, if everyone in America who owes child support legally and can pay it did so, 800,000 women and children would leave the welfare roles tomorrow.

Now, six months ago the Republican majority in Congress sent me welfare legislation it had backwards. It was soft on work and tough on children, failing to provide child care and health care so that people can move from welfare to work without hurting their children, imposing deep and unacceptable cuts in school lunch, child welfare, and help for disabled children. That bill came to me twice and I vetoed it twice.

Since then, I'm pleased to report, there has been considerable bipartisan progress toward real welfare reform. Many of the worst proposals I objected to have been taken out. Many of the improvements I asked for have been put in. The legislation has steadily improved as it has moved through Congress.

Earlier this week, by an overwhelming bipartisan majority, the Senate passed a welfare

reform bill that does provide health care and child care, and took some important strides to protect our children. But we still have more work to do to promote work and protect children, though we have come a long way in this debate and we mustn't go back.

To those who have doubts about any welfare reform, I say, we will never lift children out of poverty and dependency by preserving a failed system that keeps them there. And to those who would undo the progress of recent weeks by sending me another extremist bill like the ones I vetoed, I would say, we can only transform this broken system if we do right by our children and put people to work so they can earn a paycheck, not draw a welfare check. That's the only kind of welfare reform I can sign.

We have a chance to make history. Our welfare system has nagged at our national conscience for far too long. And if we'll put politics aside and work together, we can once again make welfare what it was meant to be: a second chance, not a way of life.

Thanks for listening.

END

WELFARE REFORM SIGNING

DPC

Carol Rasco

Kathi Way

Cathy Mays

Bonnie LePard

~~Jeremy Ben-Ami~~

Elizabeth Drye

Diana Fortuna

OUTSIDE SUPPORTERS

* Mickey Kaus

* Al From

~~Will Marshall~~

~~Ed Kilgore~~

* Peter Cove, America Works

* Lee Bowes, America Works

Paul Offner

David Ellwood

Doug Ross

* Mike Langton, Goodwill

* Sarah Shuptrine, Southern Institute on Children & Families, 803-779-2607

MAKE SURE THEY'RE ON SOMEBODY'S LIST

Wayne Bryant (Assemblyman, NJ)

Cynthia Rice

Chad Jenkins

Ed Lorenzen

Grace Reef

Ray Scheppach

Maura Cullen

Welfare Signing Ceremony

The Social Compact

Lynn Whiteside
Executive Director
Social Compact
Washington, D.C.
202-686-9190

The Social Compact is a D.C.-based member organization that works with private sector employers around the country to develop and publicize market-based approaches to solving social problems. I have met several high level executives who are members of the organization and would likely be thrilled to support the welfare reform legislation and perhaps commit to hiring welfare recipients. Following are three such executives.

Bill Goodyear
CEO
Bank of America
Chicago, IL

Jerry Choat
CEO
AllState Insurance
Northbrook, IL

Judy Stewart
President/CEO
Rancho Vista National Bank
Rancho Vista, CA

The Goodwill Job Connection

The Reverend Don Roberts
Goodwill Job Connection
Goodwill Industries, Inc.
Sarasota, FL and Lafayette, LA
941-355-2721

The Goodwill Job Connection in Sarasota, Florida and Lafayette, Louisiana (a poor rural area and state of Senator John Breaux) offers short-term, on-the-job training and job placement services to chronically unemployed members of the surrounding community. The Goodwill Job Connection, part of the national Goodwill Services, Inc., uses no state or federal government funds for its job placement program and spends only about \$1,500 per person. (This compares to per person costs of about \$4,000 for the Florida's work-focused JOBS program.)

The Reverend would be able to bring one or two high level private sector executives who have hired welfare recipients from his program and who would support the welfare reform initiative.

Women's Self-Employment Project

Connie Evans
Executive Director
Women's Self-Employment Fund
Chicago, IL
312-606-8255

The Women's Self-Employment Project is a microenterprise program located in Chicago. It offers entrepreneurial training followed by start-up loans for microenterprise for those who successfully complete the training program. The majority of women who enter the program and successfully start micro businesses are welfare recipients. Highlighting this program highlights microenterprise and women.

Connie Evans recommends any of the following three former welfare recipients who now run successful microenterprises.

- Ari Gilyard runs Child Care Crew, a successful day care service located across the hall from her current residence.
- Desiree Stewart runs Hair Systems, a full-service hair care salon that employs three people.
- Felicia Williams runs Conversation Pieces, an art gallery specializing in ethnic artifacts.

Cleveland Works

David Roth
Executive Director
Cleveland Works
Cleveland, OH
216-589-work

Cleveland Works, a private nonprofit group funded by public grants, foundations, and private money, has placed more than 2,000 welfare recipients in full-time jobs since 1986, enabling 7,000 men, women, and children to quit the dole. Over 80 percent of the Cleveland Works families have not returned to the welfare rolls, a remarkable result considering that the typical family had been on and off welfare for 10 years. All job placements through this program offer health care benefits.

David Roth can produce any one of his 650 member employers (list attached) and can produce welfare reform success stories. Additionally, David Roth has helped launch 12 affiliate placement organizations spread over nine cities coast to coast.

Highlighting this program makes several points: 1) welfare recipients can find jobs with health care benefits; organizations can create significant networks of private sector employers; and there is a growing marketplace for placement and support agencies as evidences by the 12 he has helped get off the ground.

America Works

Lee Bowes and Peter Cove
America Works
New York, NY
212-244-5627

America Works, a for-profit placement and support organization in New York, Indianapolis, and Connecticut has helped more than 10,000 welfare recipients find full-time private sector jobs. Recipients are hired permanently at an average wage of \$16,000 per year, including benefits. The state of New York found that 81 percent of those placed by America Works are still off the rolls after two years.

America Works can produce the following private sector employers who will support the welfare reform bill, and can also produce several welfare reform-to-work success stories.

Nancy Smith
Executive Director
Human Resources
Bates International
NY, NY

Aramark
CEO
National food services company
130,000 employees internationally
Philadelphia, PA

Comstock
CEO
start-up finance company, hires welfare recipients,
a former welfare recipient now manages the organization
NY, NY

AUGUST 1, 1996

NATIONAL "WORKS"

Austin Works

L. Kathryn Conway, SPHR

P. O. Box 1241

Round Rock, TX 78680

(512) 244-5771 or (512) 388-0989

Still in the preliminary development phase

Cleveland Works, Inc.

David B. Roth, Executive Director

812 Huron Road Suite 800

Cleveland, OH 44115

(216) 589-9675

Cincinnati Works

Jenny Laster, Executive Director

Queen City Vocational Center

425 Ezzard Charles Drive Room 135

Cincinnati, OH 45203

(513) 744-WORK

Columbus Works, Inc.

David Hamilton, President

36 W. Gay Street, 3rd Floor

Columbus, OH 43215

(614) 224-8009

Hawaii Works

Gary Maxwell, President

c/o Legal Aid Society of Hawaii

Maui Office

2287 Main Street

Waiuku, HI 96793-1655

(808) 244-3731

Still in preliminary development phase

Job Works

Steve Corona, Director

201 E. Rudivill Blvd.

Fort Wayne, IN 46806

(219) 745-2000

Louisville Works

Annas Boyer, Executive Director

803 East Washington Street

Louisville, KY 40206

(502) 582-9675

Norfolk Works

Eleanor Bradshaw, Executive Director

NRHA

P. O. Box 968

Norfolk, VA 23512

(804) 623-1111

Orange County Works

Don McCallister, Executive Director
1300 Bristol Street North #100
Newport Beach, CA 92660
(714) 509-1451

This Valley Works

Tom Edlich, President
145 Campbell Avenue SW
Roanoke, VA 24001
(540) 345-6781

Still in the preliminary development phase

Washington Works

Virginia A. Gilder, Executive Director
The Lowman & Hanford Building
616 First Avenue - Fifth Floor
Seattle, WA 98104
(206) 343-9731

Wheeling Works Inc.

Larry Good, Executive Director
131 15th Street
Wheeling, West Virginia 26003
(304) 233-3333

Employers Who Have Hired Graduates From Cleveland Works / Page 1

A Appliance Sales & Service	Berea Childrens Home
A-1 Bail Bond Service	Berea Quality Care
A & W Foods, Inc.	Berson-Sokol Agency, Inc.
A.M. Castle & Co.	Best Cuts
APA Services Inc.	Best Jewelers
Accurate Plating, Inc.	Better Business Bureau
Acor Orthopaedic	Biospherics, Inc.
Acromed	The Blonder Company
Advance Plating, Inc.	Blue Cross / Blue Shield of Ohio
Advance Vending Corp.	The Bolton Square Hotel Company
Advanced Benefits Consultants	Boston Distributors, Inc.
Aerosal Systems Inc.	Boyas Excavating, Inc.
Aetna Life & Casualty	Bradley Construction Co.
Alcan Aluminum Corporation	Bratenahl Place
Alcoholism Services of Cleveland, Inc.	Brentwood Hospital
Alexsis, Inc.	Broadway House
All American Detective Agency	Brown & Margolis, L.P.A.
Allen Sugar Co.	Virgil E. Brown Insurance Agency
Alpha Mercury Engraving	Bruder Dairy
Alson Jewelers	Buckeye Foods
Alumalloy Metal Casting Co., Inc.	Buddy's Carpet
Alvin's Jewelers	Budget Rent-a-Car
Ancor	Builder's World
American Abatement and Asbestos Removal Corporation	Builders Square
American Cancer Society	Burns International Security Services
American Consumer Products, Inc.	C & A Wallcoverings, Inc.
American Greetings Corporation	CBC Credit Services
American Marketing Corporation	CNA Insurance
American Red Cross	Cablevision
American Sickle Cell Anemia Association	Calfee, Halter & Griswold
American Window Fabricators	Call & Post
Amcliff of Ohio	Candlewood Park
APCOA, Inc.	Canteen Foods
Apex Paper Box Co.	Capitol American Life Insurance
Applied Construction Technologies Inc.	Carbone Construction Co. / T.G. Banks & Assoc.
Apricare Health Services, Inc.	Cardinal Federal Savings Bank
Aratex-Buckeye Garment	Cardinal Packaging
Area Temps	Cardinal Retirement Village
Aristocrat Berea Nursing Facility	Case Western Reserve University
Arrow International	Catholic Diocese of Cleveland
Arter & Hadden	Center for Human Services
Associated Estates Corp.	Certified International
Associated General Agency	Chagrin Valley Country Club
Atlas Iron Processing	Charter One Bank F.S.B.
Attorney General Lee Fisher's Office	Chelsea Catering Corporation
Austin Company	Chem-Ty Environmental Inc.
Automatic Sprinkler Corp. of America	Child Guidance Center
Avtron Manufacturing, Inc.	Children's Research Foundation
Axelrod Distributor Co.	Chubb Group of Insurance Companies
Axelrod Pontiac, Inc.	Citizens of County Ombudsman Office
B & B Wrecking & Excavating Inc.	City Blue Printing Co.
BP America Inc.	City of Cleveland
Bacik Karpinski & Associates, Inc.	Community Relations Board
Baker & Hostetler	Department of Building Standards & Codes
Beachwood Adult Training Center	Department of Economic Development
Bearings, Inc.	Department of Port Control
Beech Brook	Department of Public Utilities
Bellefaire - Jewish Children's Bureau	Department of Safety
Ben Shearer & Goodwin	Division of Parking Facilities
Benesch Friedlander Coplan & Aronoff	EEOC

Employers Who Have Hired Graduates From Cleveland Works / Page 2

Municipal Court: Judicial Division	Cuyahoga Community College
Office of the Mayor	Cuyahoga County Adult Probation Department
Probation Department	Cuyahoga County Advocate Program
City of East Cleveland	Cuyahoga County Board of Commissioners
Cityview Nursing & Rehabilitation Center	Cuyahoga County Board of Mental Retardation
Clement Center for Family Care	Cuyahoga County Commissioners, Clerk of the Board
Cleveland Action to Support Housing (CASH)	Cuyahoga County Department of Human Services
Cleveland Armature	Cuyahoga County Juvenile Court
Cleveland Board of Education	Cuyahoga County Nursing Home
Cleveland Children's Museum	Cuyahoga County Public Library
Cleveland Clinic Foundation	Cuyahoga County Witness Victim Program
Cleveland Commerce Center, Inc.	Cuyahoga Metropolitan Housing Authority (CMHA)
Cleveland Emergency Medical Services	Cuyahoga Plan
Cleveland Energy Resources	Cuyahoga Savings Association
Cleveland Foodbank, Inc.	Cyngler Systems
Cleveland Golden Age Nursing Home	D & A Investigations & Security
Cleveland Hearing & Speech Center	DJFI & Associates
Cleveland Heights-University Heights Board of Education	Dairymen's Milk Co.
Cleveland Institute of Electronics	David Advertising
Cleveland Job Corps Center	Davis Bakery
Cleveland Knitting Mills	Deaconess Family House
Cleveland Marriott Society Center Hotel	Decorative Hardware & Bath Co.
Cleveland Memorials	The Diamond Company
Cleveland Metroparks System	Dingus & Daga, Inc.
Cleveland Neighborhood Health Services, Inc.	Dollar Bank
Cleveland Public Library	Dom Color Inc.
Cleveland Public Power	Dots Inc.
Cleveland Range	E.B. Brown Opticians
Cleveland Rape Crisis Center	The East Ohio Gas Co.
Cleveland Rehabilitation & Special Care Center	East Side Marathon
Cleveland Thermal Energy	Eaton Corp.
The Cleveland Tofu Co.	Eleanor Gerson School
Cleveland Tomorrow	Electra Sound Inc.
Cleveland Treatment Center	Electronic Data Systems (EDS)
Cleveland Twist Drill Co.	Elza Jennings Home
Cleveland Works, Inc.	Emerald Health Network
Coldwell Banker Hunter Realty	Encore Manufacturing
Cole National Corp.	Enviro Test Systems
Coleman Trucking Inc.	Epilepsy Foundation of Northeast Ohio
Collinwood Community Services Center	Equitable Financial Services
Colomatrix Corp.	Ernst & Young
Com-Corp Industries	Euclid Avenue Congregational Church
Commerce Exchange Bank	Executive Caterers of Landerhaven
Community Action Against Addiction	F.W. Woolworths
Community Dialysis Center	FECO
Compu-Form Machine and Manufacturing, Inc.	Fabri-Centers of America
Consumer Credit Counseling Services	Famico's Foundation
Contacts Influential	Famous Enterprises
Continental Pharmacy	Federal Home Loan Bank
Corporate Food Services, Inc.	The Federal Metal Co.
Cortez III Service Corp./NASA Lewis Research Center	Finast
Council for Economic Opportunities of Greater Cleveland	First Call for Help (CIVAC)
Council Gardens	First Federal Savings & Loan Association of Lakewood
Copy King	First Nationwide Bank
Cox Cable Co.	First Northern Insurance Agency Inc.
Creativity For Kids	First Real Estate Corp.
Credit Bureau Services of Northeast Ohio	First Security Mortgage Corp.
Cumulus Corp.	First United Methodist Church
Custom Cut Technologies	5-10 Apparel
Custom Clutch Joint & Hydraulics	Flats Riverfest Corp.

Employers Who Have Hired Graduates From Cleveland Works / Page 3

Flexalloy Inc.	International Management Group (IMG)
Florian Fashions	Intrans Inc.
Dr. Emory Foote	Irwin Segal & Associates
Forest City Enterprises, Inc.	J.C. Hub Manufacturing Co.
Forest City Management Inc.	J.R. Holcomb Co. Educational Materials
Franklin Oil Corp. - Ohio	Jackie Darlin Construction
G Security Services, Inc.	Jennings Hall
GF Technologies	Jewish Community Center
Gateway Cold Storage	Jewish Community Federation of Cleveland
Gateway Economic Development Corp.	Jewish Family Service Association
Gencom Freightways, Inc.	Jim Cox & Associates
General Steel Corporation	Job Corps of Cleveland
Gestetner Corp.	John Carroll University
Gethsemane Baptist Church	Jordan Dental Centers
Gibraltar Strip Steel	The Joseph & Feiss Co.
The Glidden Co.	Joshyn Hi-Voltage Corp.
Gold Rotatori Schwartz & Gibbons	Judson Park Retirement Community
Goldfish Uniform Stores Inc.	Kaiser Foundation Hospital
Alan I. Goodman	Kaufmann's
Goodman Weiss Freedman	Kelley, McCann & Livingstone
Gould-Oceans Systems	Kelly-Kitt
Davis Grant Insurance	Kichler Lighting Co.
Graphic Formations	Kidney Foundation of Ohio
Graphite Machining Co.	Kids 'R' Us
Great Lakes Lithograph Co.	King Wire & Cable Corp.
The Great Lakes Museum of Science, Environment & Technology	Kinzua Environmental, Inc.
Greater Cleveland Roundtable	Kirby Co.
GreenLeaf Grocer	John Klein & Associates, Inc.
Grover Musical Products	Knight Rider Copier Services
Guardian Title and Guarantee Services	Koinonia Homes, Inc.
HMO Health Ohio	Kowalski Heat Treating Company
HP Manufacturing Company Inc.	Krasny Kaplan Corp.
H. Left Electric	L.J. Minor Corp.
Hahn Loeser & Parks	LTV Data Center
Hahn, Swadey & Pollock	Lakeview Terrace
Hanna Perkins School	Lakewood Board of Education
Hathaway Brown School	Langenau Manufacturing
Hausser & Taylor	Laventhol & Horwath
Hawken School	Law Radio
Health Data Service, Inc.	Leader Electric Co.
Health Hill Hospital	Legal News Publishing Co.
Heinen's Inc. Super Markets	Leece-Neville Prestolite Elec. Co.
Help-Six Chimneys (Nottingham Project)	Lesco, Inc.
Heritage Drapery & Sewing	Long John Silver's Seafood Shoppes
Hexagon Industries, Inc.	Luria & Belkin
John W. Mickey, attorney	Lutheran Medical Center
Hill House West	MIC Enterprise, Inc.
Hispanic Center for Cleveland	MK - Ferguson Co.
Hitchcock House	MRK Technologies Inc.
Horizon Savings And Loan Co.	M. Zunt & Associates, Inc.
Hospice of Western Reserve	Madison Equipment Company
Host Marriott	Madonna Hall
Hough Norwood Family Health Centers	Man-Gill Chemical Co.
House of Lights / Industrial Electric Co.	Manor Care - East
Huntington National Bank	Manor Care - Lakeshore
Hyatt Legal Services	Marc A. Weinberger & Son Landscape & Design Co.
Imperial Wallcoverings	Margaret Wagner House of the Benjamin Rose Institute
Interchurch Council of Greater Cleveland	Marion East - Beachwood
Interlake Stamping of Ohio, Inc.	Marriott Food Service Division
	Marriott Society Center

Employers Who Have Hired Graduates From Cleveland Works / Page 4

arriott West - Airport
 assachusetts Mutual
 abrix Essentials Inc.
 :Donald & Company
 :Donald Hopkins Burke & Haber
 :Donald's, Inc.
 edical Consultants Imaging Co. ✓
 edical Services Co.
 edical Life Insurance Co.
 ellon Financial Services
 enorah Park - Home For the Aged
 erchant Towels Service
 erida Suburban
 ervis Steel
 etroHealth Medical Center
 etroHealth Medical Center for Skilled Nursing Care
 4-America Mortgage
 idas Muffler
 dtown Professional Records Centre
 les Creative Playrooms
 ll-G's Prepared Gourmet Foods
 nisterial HeadStart
 nnehaha Spring Water Co.
 nuberman Press
 bilecorn of Ohio, Inc.
 ntefiore Home
 numental Life Insurance Company
 st Significant Bits
 storcars Honda
 rse Graphic Art Supply Co.
 . Pleasant Nursing Home
 . Sinai Medical Center
 eller Tire
 irray Corp.
 e Musical Arts Association/The Cleveland Orchestra
 tual Health Services Co.
 & W Metal Finishing
 I. Petterson, Inc.
 im Real Estate Inc.
 tional Ambulance & Escort Services
 tional Auto Credit
 tional City Bank
 tional Employer, Inc.
 tional Lighting Co.
 ighborhood Centers Association
 ighborhood Counseling Service
 * United Distributing Co.
 * York Life Insurance Co.
 al Inc. →
 th American Wire Products Company
 th Coast Cable
 th Coast Harbor
 th Coast Services Inc.
 thcoast Hygolet
 theast Care Centers, Inc.
 thshore Homes
 re Dame College
 *ack Organization
 c Park Health Care
 ey Company

Ohio Bureau of Motor Vehicles
 ✓ Ohio Business Machines
 Ohio Counting Scale-North Inc.
 Ohio Die Cutting and Stamping Co.
 Ohio Materials Handling, Inc.
 Ohio Motorists Association - AAA
 Ohio Sanitary Supply Co.
 Ohio Savings Bank
 Ohio State U./Cuyahoga County Extension Services
 Okocha & Associates Co.
 Olive Garden Italian Restaurant
 Olympic Steel
 Omni International Hotel
 The Oppidan Group, Inc.
 Original Cookie / Hot Sam Co.
 Original Copy Centers, Inc.
 ✓ Osborn Engineering
 ✓ Osborn Manufacturing
 Oswald Risk Management Services Co.
 PCA International
 PMC Industries
 Parker Hannifin Corp.
 Parkview Federal Savings & Loan Assoc.
 Parkway Pharmacy
 Patmar Corporation
 Penton Publishing Co.
 Penzoil Lube Stop
 Perlmutter Printing
 Personalized Data Corporation
 Phillis Wheatley Assoc.
 ✓ Picker International
 Pinkerton Security Services
 Planned Parenthood of Greater Cleveland
 Pleasant Lake Villa
 Porter Wright Morris & Arthur
 Positive Education Program
 Precision Metalsmiths, Inc.
 Preform Sealants, Inc.
 ✓ Premier Industrial Corp.
 Prescott Ball & Turben
 Prescott Travel
 Preterm
 ✓ Prevest, Inc.
 Professional Decorating Services
 Progressive Action Council (P.A.C.)
 The Progressive Corp.
 Providence House
 Provident Bank
 Quality Care Nursing Center
 * Quality Thread & Notion
 RMC Construction, Inc.
 Radisson Plaza Hotel
 Rainey Institute
 The Raleigh Group
 Ramah Jr. Academy
 Ramsey Laboratories
 Regional Transit Authority
 Reliable Oldsmobile Isuzu, Inc.
 Reese Chemical Company
 Research Abrasives

Employers Who Have Hired Graduates From Cleveland Works / Page 5

Tail Apparel Group
 Hard Durham Sales
 Hman Brothers
 Aid Corp.
 Fitz-Carlon
 er Foods, Inc.
 bert E. Sweeney, L.P.A.
 of Craft, Inc.
 emary Home for Children
 th Pharmacy Group, Inc.
 e Royal Brass Manufacturing Co.
 C. Wellman
 S. Kemp
 Augustine Manor
 Paul Companies
 Phillip Neri School
 Vincent DePaul Society - Clothing & Thrift Store
 nese Services
 hwebel Baking Company
 away Foods, Inc.
 xond New Hope Christian Academy
 ecurity 1st
 ie Seiler Corp.
 ator Howard Metzzenbaum's Office
 rral & Naso
 aker Heights Board of Education
 eraton Airport Hotel
 eraton Cleveland City Centre
 erwin-Williams Co.
 d's Pharmacy
 egel & Associates
 iverman Brothers, Inc.
 gnature Lighting Corp.
 y Chef's Flight Kitchen
 ociety National Bank
 ptware Etc.
 up to Nuts Catering Co.
 iverseign Industries
 angenberg Shibley Traci & Lancione
 quire Sanders & Demsey
 ramco Industries, Inc.
 anek Vinyl Windows
 anley The Cleaner Cleaner
 atter Executive Suites
 oneCo
 ouffer's Tower City Plaza
 ulf-N-Turkey
 uburban Building Supply
 uburban Pavilion, Inc.
 ummit Manufacturing, Inc.
 yndie Sutherland DMG
 wiger Coil Systems, Inc.
 yscos Food Services
 ech Machine & Tool Co.
 ecmetal, Inc.
 echniweld, Inc.
 erra, Inc.
 exrite
 ompson, Hine & Flory
 hree Village Co.

Tomlinson Industries
 Tool Producers Inc.
 Top Services, Inc.
 Total Health Care Plan
 Toys 'R' Us
 Tractin Times Publishing
 Transilwrap
 TransOhio Savings Bank
 Travelers Insurance
 Tremco, Inc.
 Trinity Cathedral
 Triton Transport Service, Inc.
 Ralph C. Tyler, P.E., P.S., Inc.
 United Airlines
 United Gasket
 United Church Board for Homeland Ministries
 United Way Services
 University of Akron
 The University Club
 University Food Centre
 University Hospitals of Cleveland
 United Security Patrol, Inc.
 United States Postal Service
 Uptown Cleveland Development Corporation
 U.S. Title Agency
 Valley Physicians Services, Inc.
 Value City Furniture
 Value World Inc.
 van Dijk, Pace, Westlake and Partners
 Veterans Administration Hospital
 Viacom Cablevision
 Victoria Financial Corp.
 Vienna Distributing Company of Ohio
 VillaWare Manufacturing Co.
 The Visiting Nurse Association
 Voss, Inc.
 WCPN, FM Radio
 WMLJ 105.7 FM
 WOAL, FM Radio
 WWWE / WDOK
 Warrensville Development Center
 Weisman Goldberg Weisman & Kaufman
 Wells Fargo Guard Services
 Wellman, Weinberg & Associates
 West Side Community Mental Health
 West Side Ecumenical Ministry
 Western Reserve Finishers, Inc.
 Westinghouse Oceanics Division
 The Wild Pair Shoe Store
 Willow Park Convalescent & Rehabilitation Center, Inc.
 Wire Products Co.
 The Wood Company
 Woodnear, Inc.
 The Woods Restaurant
 Wyse Landau Public Relations
 YMCA
 YWCA
 The Yellow Cab Company
 Yiasa-Exide, Inc. - Hertner Division

WELFARE REFORM Q&A
"60 Minutes"
August 18, 1996

Q. Many in your own party were upset with your decision to sign the welfare reform bill. Do you expect protest demonstrations in Chicago?

A. I am proud to sign national welfare reform into law because the current welfare system is fundamentally broken, and we must seize this last best chance to fix it. I respect the views of those who disagree with me -- this bill is far from perfect, and the Congressional leadership insisted on tacking on some cuts which have nothing to do with welfare reform and which I am determined to correct. But we cannot let this opportunity slip through our fingers, and I'm glad that a majority of members in both parties joined with me to improve this bill and give us a real chance to demand responsibility, promote family, and move people from welfare to work.

Q. Didn't you sign this just because of election-year politics? Isn't this virtually the same bill you vetoed twice before?

A. We've come a long way in this debate. Not so long ago, some in Congress wanted to ban all aid to unwed teen mothers, and put their children in orphanages. I said no. Some wanted to undermine the basic nutritional safety net and the school lunch program, and cut child welfare and aid for disabled children. I said no. Some wanted to gut the EITC which rewards work over welfare. I said no. And the Republican leadership tried to take away the guarantee of health care for poor children, the elderly, and the disabled. I said never. So instead of the narrow partisan bill Congress sent me in December, we passed a bipartisan bill that provides health care and child care and protects the EITC so people can move from welfare to work, and drops the deep cuts and structural changes that Congress had tried to pass off as welfare reform.

Q. What are you going to do to soften the impact of this bill in the areas where you weren't satisfied?

A. I objected in particular to two provisions that have nothing to do with welfare reform -- capping the so-called shelter deduction for food stamps, and eliminating all benefits for legal immigrants. These provisions could never have passed Congress on their own, and I believe that as they become more widely known, a bipartisan consensus will emerge around the country to come back and fix them. I also believe that every one of us has a responsibility to help make welfare reform work: States need to shoulder the responsibility they sought; businesses need to help provide jobs for people to go to; and all of us need to do everything we can as volunteers, role models, and citizens to help turn our most distressed communities around.

EXECUTIVE OFFICE OF THE PRESIDENT

25-Jul-1996 03:26pm

TO: Bruce N. Reed

FROM: Carol H. Rasco
Domestic Policy Council

CC: Cathy R. Mays
Diana M. Fortuna
Elizabeth E. Drye

SUBJECT: Radio address

I am assuming you are working on radio address since we have heard it will couple welfare reform with ADA commemoration. I am concerned that ADA have more than a very short passing mention or the community and particularly the 13 or so reps of the disability community invited to the taping will be incensed. Heaven knows I understand the need to do some work with the public on welfare...I am almost hyper with hope the thing will be improved enough...hard to have a sign on my wall about "How will this decision affect children?" and think we would leave kids without even vouchers for necessities.

I would also be concerned in the radio address that the appropriate transition is made from welfare to disability or vice versa or it could be quite insulting.

I've asked Julie and Jill to make sure I get the draft remarks in a timely fashion when they are distributed by Staff Secretary.

Finally, my last worry is that if the President isn't properly briefed about this combination he will be upset afterwards that we had these reps in from disability community and didn't do more. We can all help with that to a point in that he did tape a video that has gone out to be shown at commemoration celebrations all over the country.

Thanks.

White House Comment Line

Wednesday, July 24, 1996

Summary: White House Comment Line volunteer operators received
If you have questions, please contact Patrick Briggs at x65445.

1701 calls.

Issues:	Support	Oppose
1. President's Performance:	90	26
2. First Lady's Performance:	22	1
3. More Presidential Involvement in Investigation of Airline Crash:	24	2
4. Increased Airline Safety:	12	0
5. Same-Sex Marriage:	2	9
6. Stronger Immigration Laws:	31	3
7. Timber Salvage Rider:	4	26
8. Welfare Reform Bill*:	113	1043
9. Nuclear Test Ban Treaty:	9	3
10. School of the Americas:	0	10
11. Release Documents Regarding Human Rights in Guatemala:	15	0

* The majority of these calls were generated by Children's Defense Fund, Common Cause and Bread for the World.

White House Comment Line

Tuesday, July 23, 1996

*Summary: White House Comment Line volunteer operators received
If you have questions, please contact Patrick Briggs at x65445.*

1508 calls.

<i>Issues:</i>	<i>Support</i>	<i>Oppose</i>
1. President's Performance:	63	34
2. First Lady's Performance:	7	6
3. Presidential Action Regarding Railroad Management/ Union Dispute:	4	70
4. Medicare/Medicaid Cuts:	0	10
5. Stronger Immigration Laws:	16	0
6. Timber Salvage Rider:	2	16
7. Welfare Reform Bill*:	35	803
8. Environmental Cuts:	0	16
9. Nuclear Test Ban Treaty:	10	0
10. Extradition of Jimmy Smith:	0	13

* The majority of these calls were generated by Common Cause and Bread for the World.

OFFICE OF INTERGOVERNMENTAL AFFAIRS
DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 Independence Avenue, SW
Room 630F
Washington, DC 20201



F A X C O V E R S H E E T

DATE: 7/24/96

TO: Bruce Reed

PHONE:
FAX:

FROM: John Monahan
Director

PHONE: (202) 690-8060
FAX: (202) 690-5672

RE:

CC:

Number of pages including cover sheet

10

Message:

1. Congressional Action Welfare Reform to the Mayors
+ LTRs to Senate + Hse on HR 3507, 5/795 - 5pgs
2. Wisconsin News - 4ps



THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST
 WASHINGTON, D.C. 20006
 TELEPHONE (202) 293-7330
 FAX (202) 293-2352
 TDD (202) 293-9445

President:
RICHARD M. DALEY
 Mayor of Chicago

July 18, 1996

Vice President:
PAUL HELLER
 Mayor of Fort Wayne

TO: The Mayor

Advisory Board Chair:
DEEDES CORRADINI
 Mayor of Salt Lake City

FROM: J. Thomas Cochran, Executive Director

Executive Director:
J. THOMAS COCHRAN

RE: Congressional Action on Welfare Reform

J. Thomas Cochran

Floor debate is expected to begin today in both the House and Senate on welfare reform legislation (HR 3507, S 1795). Conference President and Chicago Mayor Richard M. Daley and Chair of the Health and Human Services Committee and East Orange Mayor Cardell Cooper have written every member of the House and Senate to indicate our opposition to these bills as they are currently written. Their letter explains that while the Conference of Mayors has long advocated reform of the current welfare system, and while these bills represent an improvement over the legislation passed by Congress at the end of last year, we still have serious concerns with the legislation now moving through Congress, primarily because of their potential harm to children. Mayors Daley and Cooper's letter is attached.

Please contact your Representatives and Senators today and urge them to oppose the welfare reform bills as they are currently written.

The welfare reform bills would end the entitlement status of AFDC, converting it to a block grant to the states. Every family on welfare would be required to work within two years or lose benefits. Lifetime benefits would be limited to five years (with 20 percent of families exempted). Food stamp benefits would be cut by \$28 billion over six years and states would be given the option of converting their food stamp program to a block grant, thus ending the entitlement nature of that program. Poor legal immigrants would be denied aid under a number of major programs such as SSI, Medicaid and food stamps and under other smaller programs such as WIC and meals-on-wheels. These cuts account for \$19 billion in savings over six years. In all the proposal would save \$53 billion over six years.

A series of amendments are expected to be offered in the Senate which would ameliorate some of the most serious effects of some of the provisions relating to food stamps. Please urge your Senators to support these amendments:

- * An amendment by Senator Kent Conrad (ND), Jim Jeffords (VT), Robert Kerrey (NE) and Patrick Leahy (VT) to remove the optional food stamp block grant;
- * An amendment by Senators Jeffords, Joseph Lieberman (CT) and William Cohen (ME) which would delete a provision that cuts food stamps for households receiving energy assistance;
- * An amendment by Senator Conrad which would increase to 20 percent hardship cases which are exempt from the requirement that denies food stamps after four months in any year to 18-50 year-old individuals who are not disabled and not working at least 20 hours a week or participating in a state employment and training program at least 20 hours a week;
- * An amendment by Senator Leahy to strike the cap on the food stamp shelter deduction, which would ease the severity of food stamp cuts on poor families with children that must pay very high portions of their income for housing.



THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST
 WASHINGTON, D.C. 20006
 TELEPHONE (202) 293-7330
 FAX (202) 293-2352
 TDD (202) 293-9445

July 17, 1996

President
RICHARD M. DALEY
 Mayor of Chicago

Vice President
PAUL HBLIACEK
 Mayor of Fort Wayne

Advisory Board Chair
DREDEK CORRADINI
 Mayor of Salt Lake City

Executive Director
J. THOMAS COCHRAN

Dear Senator:

The U.S. Conference of Mayors has long advocated reform of the current welfare system which would change it from a system of dependency to one of work and self-sufficiency. We would like to see welfare reform enacted this year - reform that would be good for our nation, good for our cities and, most important, good for recipients.

We have, however, serious concerns with the welfare reform legislation now moving through Congress. Our primary concern is that the legislation will harm children, increasing the poverty rate among children and making many children who are currently poor even poorer.

The Conference of Mayors has a substantial body of adopted policy on welfare reform. Our basic principles for welfare reform are:

- * the availability of jobs which pay a living wage, health care coverage and child care;
- * provisions which encourage fathers to assume responsibility for providing both financial and emotional support to their children;
- * welfare benefits sufficient to maintain a standard of living compatible with health and well-being, and which remain available for a period of time determined by the client's need rather than an arbitrary time limit;
- * a system based on incentives rather than punitive measures.

While S 1795 represents an improvement over HR 4, with increased funding for child care, maintenance of the entitlement nature of foster care and adoption assistance, and maintenance of the current mix of child nutrition programs, the bill does not meet the principles for welfare reform which we have set. Unless these concerns are addressed, The U.S. Conference of Mayors must urge you to vote against S 1795.

Cardell Cooper
 Mayor of East Orange
 Chair, Health and Human Services Committee

Sincerely,

Richard M. Daley
 Mayor of Chicago
 President

AMENDMENT NO. _____

Calendar No. _____

Purpose:

TO DENY WELFARE BENEFITS TO INDIVIDUALS CONVICTED OF ILLEGAL DRUG POSSESSION, USE OR DISTRIBUTION.

IN THE SENATE OF THE UNITED STATES-104th Cong., 2nd Sess.

S. 1686

To provide for reconciliation pursuant to section 302(a) of the concurrent resolution on the budget for fiscal year 1997.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

Amendment intended to be proposed by Mr Gramm

Viz:

1 On page 354, between lines 14 and 15, insert the following new section:

2 SEC. ____ DENIAL OF BENEFITS FOR CERTAIN DRUG RELATED CONVICTIONS

3 (a) IN GENERAL.-An individual convicted (under Federal or State
4 law) of any crime relating to the illegal possession, use, or
5 distribution of a drug shall not be eligible for any Federal means-
6 tested public benefit, as defined in section 2403(c)(1) of this Act.

7 (b) FAMILY MEMBERS EXEMPT.-The prohibition contained under
8 subsection (a) shall not apply to the family members or dependants of
9 the convicted individual in a manner that would make such family members
10 or dependants ineligible for welfare benefits that they would otherwise
11 be eligible for. Any benefits provided to family members or dependants
12 of a person described in subsection (a) shall be reduced by the amount
13 which would have otherwise been made available to the convicted
14 individual.

15 (c) PERIOD OF PROHIBITION.-The prohibition under subsection (a)
16 shall apply-

17 (1) with respect to an individual convicted of a
18 misdemeanor, during the 3-year period beginning on the date of the

1 conviction or the 5-year period beginning on January 1, 1997,
2 whichever is later; and

3 (2) with respect to an individual convicted of a felony, for
4 the duration of the life of that individual.

5 (d) EXCEPTIONS.-Subsection (a) shall not apply with respect to the
6 following Federal benefits:

7 (1) Emergency medical services under title XV or XIX of the
8 Social Security Act.

9 (2) Short-term, non-cash, in-kind emergency disaster relief.

10 (3) (A) Public health assistance for immunizations.

11 (B) Public health assistance for testing and treatment of
12 communicable diseases if the Secretary of Health and Human
13 Services determines that it is necessary to prevent the
14 spread of such disease.

15 (e) EFFECTIVE DATE.-The denial of Federal benefits set forth in
16 this section shall take effect for convictions occurring after the date
17 of enactment.

18 (f) REGULATIONS.-Not later than December 31, 1996, the Attorney
19 General shall promulgate regulations detailing the means by which
20 Federal and State agencies, courts, and law enforcement agencies will
21 exchange and share the data and information necessary to implement and
22 enforce the withholding of Federal benefits.

The DLC Update

LAST CHANCE: DLC Leadership Training in DC
This Thurs. & Fri., Aug. 1 & 2, Washington Court Hotel.
Call Sara Wright at 202/546-0007 to sign up.

The Democratic Leadership Council

Tuesday, July 30, 1996

Democrats Should Support Conference Report on Welfare

Opponents of welfare reform are mobilizing their troops in preparation for a shoot out over legislation expected to reach the White House this week. The measure, passed by the House and Senate and now in conference committee, has drawn fire from liberal groups who argue that it would increase hunger and poverty among American children.

While President Clinton is rightfully withholding his support of the legislation in hopes of mitigating harsh Republican sponsored measures such as the elimination of benefits for legal immigrants who are noncitizens, he has also suggested that he would sign it...with changes.

We agree. The bill, while not perfect, may well represent the best chance yet to "end welfare as we know it." Those who argue that doing away with the current system would be a disaster for kids seem blinded to the fact that 9 million children are now trapped in a system that encourages dependence, not independence.

As we have said over and over, the time has come to stop trying to reform an unreformable system. It is time, instead, to replace the current income-maintenance system with an employment system that both requires and enables people to work. As DLC Chairman **Sen. Joe Lieberman** wrote last week in *The New York Times*, "I hope it will not be our final effort at reform, but it gets us moving in the right direction." Indeed, this bill does not have to be the last word; if deficiencies turn up, Congress can address them.

Democrats have only themselves to blame for the current

situation after missing the chance to dictate the terms of reform on our watch. Had liberals been willing to join in the acknowledgment of the system's failures and craft real reform when Democrats controlled Congress, we wouldn't face this predicament.

While the two parties in Washington have indulged in the usual partisan games, the impetus for welfare reform has shifted to the states. Aided by a liberal waiver policy instituted by President Clinton and HHS chief Donna Shalala, several states have forged ahead with work-based systems that take real steps to move people from dependence on government to self sufficiency.

The bill now in conference committee points in the same direction as the states. It reflects the public view that government should not write checks indefinitely, but rather use its resources to help put people to work.

As President Clinton said in remarks released by the White House last weekend, "To those who have doubts about any welfare reform, I say, we will never lift children out of poverty and dependency by preserving a failed system that keeps them there. And to those who would undo the progress of recent weeks by sending me another extremist bill like the ones I vetoed, I would say, we can only transform this broken system if we do right by our children and put people to work so they can earn a paycheck, not draw a welfare check. That's the only kind of welfare reform I can sign."

Chat on Youth Voters

Those of you unable to attend the DLC's much-publicized Leadership Training Series have missed a compelling, multimedia presentation by pollster **Stan Greenberg** and MN State Senator **Ted Mondale** of their new research on young voters. You can make up for that tomorrow night by joining them on **Wednesday, July 31, at 9:00 p.m.**, on the **Microsoft Network's (MSN) Policy Street**, for an on-line "chat." Find out how a diverse group of young Minnesotans (30 and under) characterize themselves and learn about their take on politics, business and government. Discover what issues matter the most to a group that is anything but apathetic and disengaged. *MSN subscribers: To participate in*

Wednesday night's chat see the MSN Today, Front Page or go directly to the Policy Street forum on MSN by typing the go word "policy".

Fond Farewell

It's with mixed emotions that we announce the departure of the DLC's longtime press secretary, **Lisa Davis**, who leaves this week to become deputy press secretary for the Clinton-Gore campaign. We'll miss Lisa's cool head, keen mind, and come March her encyclopedic knowledge of NCAA basketball. Cheers, Lisa.

P.S.... Those interested in applying for the position of DLC-PPI press secretary should fax resumes to Julie Kizer Ball at 202/544-5002.

Democratic National Convention LEADERSHIP TRAINING

The DLC continues the Leadership Training Series with additional events during the Chicago Convention. Training will be organized into three sessions on the first, second, and third days of the convention (Aug-26-28): "New Democrats and The New Progressive Agenda," "Issues Democrats Don't Like to Talk About--And Why They Should," and "The Era of Big Government Is Over--What's Next?" In addition, the DLC will sponsor smaller, private workshops on health care, welfare reform, and teen pregnancy. Watch this space for more details.

For Immediate Release

July 30, 1996

Press Contacts: Deb Konachne, Welfare Rights Committee-Minnesota (612)822-8020
 Ana Archuleta, J.E.D.I. for Women-Utah (801)364-8562
 Liz Accles, Welfare Reform Network of New York City (212)344-0188

**National Day of Emergency Response Actions to Stop Attacks on Welfare!
 Organizations Around the U.S. Call on President Clinton to Veto Destructive Welfare Bill!**

More than 40 organizations and cities in 25 states from all regions of the U.S. will join together in an Emergency Response National Day of Actions on July 31, 1996 to respond to the welfare-bashing bill being rushed through Congress in Washington, DC. On July 31st, low income people, welfare rights organizations, and other concerned organizations and individuals will hold actions around the country to send a strong message to the President and poor-bashing politicians to stop the attacks on low income families and to call for a Presidential VETO of the welfare bill.

From Hawaii to Rhode Island to New Orleans, people will stand up together against the war on the poor that is being waged out of the nation's capitol. In Los Angeles, immigrants' rights activists will initiate a hunger strike until President Clinton vetoes the bill. In Philadelphia welfare rights activists are holding a tent city. Actions and rallies will take place in eleven different sites in Ohio. Protests, rallies, marches and street theater with as many as hundreds from the low income, immigrant and welfare communities will be held in Minnesota, Massachusetts, Utah, and Wisconsin. Press conferences, prayer services and rallies with coalitions of labor, religious, welfare rights and immigrant communities will take place in Washington, New York City, Missouri (in three cities), Michigan, Rhode Island, North Dakota, Colorado and Georgia.

Right now, the Republican welfare reform bill is on a fast track through Congress in a rush to get it to President Clinton before August 3rd. Following the Republican decision to remove Medicaid cuts from the welfare-slashing bill, President Clinton voiced support of the bill.

This welfare bill, if made into law, would throw more than a million more children into poverty and devastate families already living deep in poverty. It would eliminate the 60 year-old Federal guarantee/entitlement to a safety net for America's low income families. Money would instead be handed to states in the form of block grants to be used at the whim of State governments. It would put five year lifetime limits on public assistance, with state options for shorter time limits. It would cut all non-citizens from public assistance, and cut welfare, food stamps and SSI by \$53 billion.

The bill would further mandate costly Workfare programs after two years, forcing parents to work for no pay in order to receive the welfare grant. In the past twenty years, workfare programs have repeatedly failed to lead to real and permanent jobs. Instead, workfare displaces current workers and drives down wages for everyone as welfare recipients are forced to work for free.

On July 31st, people and organizations from around the country will stand up in opposition to the cruel actions of anti-poor politicians trying to score election-year points on the backs of children, women and families in poverty. Politicians will be called upon to work for REAL reforms such as creation of jobs with livable wages, affordable child care, health care, housing and education. Together, people of low income, welfare recipients, and working people across the nation will protest the attacks on welfare and demand that elected officials work to end poverty instead of eliminating the poor.

**Partial List of Actions Being Organized in Cities for
National Day of Action to Stop the Attacks on Welfare
(Organized by Region)**

WESTERN STATES

J.E.D.I. for Women-Salt Lake City, Utah (801)384-8582

Coordinating National Day of Actions for Western States. Local: Rally and press conference with street theater to dramatize increased poverty and homelessness that would be caused by welfare-slashing bill. To be held under a viaduct in downtown Salt Lake City near to homeless shelter and lunch line. Speakers to address disastrous effects on immigrants and children. Will solicit signatures on letter to President Clinton which will be sent immediately.

Californians United for Immigrants' Rights-Los Angeles, California (213)748-2022 ext.35

Will carry out a HUNGER STRIKE in Los Angeles to protest welfare bills and call for a VETO, with emphasis on the criminal cuts to immigrants! Fast will begin on July 31st with a press conference in coordination with the National Day of Actions. The Hunger Strike will continue until President Clinton VETOES the welfare bill! Contact: Chris Tan of Asian Pacific American Legal Ctr(number above)

Utah Council of La Raza (801)483-1167

Carrying out rally and Press conference with JEDI in Salt Lake City

AFDC (All Families Deserve a Chance) Coalition-Denver (303)433-8859

Women United for Justice, Community and Family-Boulder, Colorado (303)393-8328

Gathering and news conference in front of low income housing complex in Denver with speakers giving personal testimony, and talking about the disastrous effects that would come from this welfare bill for families in poverty.

WROC-Welfare Rights Organizing Coalition-Seattle, Washington (206)324-3083

5:00 pm Rally at Seattle Federal Building with Labor, Welfare and Immigrant speakers to call for VETO! Press Conference with religious leaders at 2 pm.

Fair Budget Action-Seattle, Washington (206)727-0371

Rally with other organizations in Washington.

Welfare Working for Equality and Liberation-Missoula, Montana (406)543-2530

Women's Economic Agenda Project-California (510)481-7379

Call-in, letter-writing and fax-in campaign to President Clinton.

Nevada Empowered Women's Project-Nevada (701)882-3440

Berton Hill Neighborhood Organization-California (310)832-9845

Working with CA United for Immigrant Rights' HUNGER STRIKE in LA.

Women's Work Group-Hawaii (808)521-1757

Idaho Hunger Action Council-Idaho (208)338-7010

VETO campaign- letters and call-ins to President Clinton.

POWER-Anchorage, Alaska (907)272-3572

Call-in, letter writing and FAX-in campaign to Pres. Clinton

MIDWEST and MIDDLE STATES

Welfare Rights Committee-Minneapolis-St.Paul, Minnesota (612)822-8020

Coordinating National Day of Actions for Midwest and Middle States. Local: Lively PROTEST and Rally at Federal Building in St. Paul with hundreds from low income community, welfare recipients, immigrants and refugees, and working people. Speakers from low income, immigrant, religious and labor communities. March with banners and signs through downtown St. Paul to Democratic (DFL) Headquarters with action. Collect signatures on letter to be sent immediately to Pres. Clinton.

Minnesota Welfare Rights Coalition-Minnesota (218)722-0257

ROWEL-Reform Organization of Welfare- St. Louis, Missouri (314)381-3400

Holding separate events in three cities in Missouri.

Kansas City and St. Louis- simultaneous prayer and letter writing breakfasts with letters to be sent immediately to Pres. Clinton. Children will be coloring and decorating a banner with their handprints which reads "KIDS LIKE ME NEED AFDC-VETO THE WELFARE REFORM BILL!"

Columbia- will hold a "VETO Express" Postcard Signing Event at the Post Office. Children will make banner with their handprints.

Southside Welfare Rights Organization-St. Louis, Missouri (314)534-8827

Welfare Warriors-Milwaukee, Wisconsin (414)342-8882

Holding press conference and rally with speakers including AFDC mothers, immigrants, individuals receiving food stamps and clergy. Political theater dramatizing cruel politicians destroying the safety net and devastating children!

Low Income People Organizing for Power, Mothers Organizing Duluth-

Duluth, Minnesota (218)722-0267

Neon rally in front of Duluth Federal Building including low income people and concerned individuals, including phone call-in to President Clinton to demand a VETO!

Women For Change-Winona, Minnesota (507)452-4440

Rallying at Post Office in Winona, passing out leaflets and small shred of material symbolizing safety net, with call to "SAY NO TO WELFARE REFORM THAT SHEDS OUR SAFETY NET!"

Boyetville of Michigan-Southfield, Michigan (810)569-8830

Planning a press conference in conjunction with a letter writing campaign to President Clinton.

Poverty Network of Wisconsin-Wisconsin 1-800-820-8925

People Escaping Poverty Project-Moorhead, MN/Fargo, North Dakota (218)238-5434

Holding demonstration with speakers at Federal building in Fargo, North Dakota.

Kalamazoo Coalition for Justice-Kalamazoo, Michigan (616)349-3027

Protest demonstration on steps of City Hall with low income community, religious community, and social workers to call for VETO. Will illustrate how local community would be hurt by welfare-slashing bill.

Welfare Rights Organization-New Orleans, Louisiana (504)944-1112

Actions at welfare offices and in communities distributing information, press conference and phone bank to President Clinton to VETO welfare bill.

Public Welfare Coalition of Illinois-Illinois (312)431-0758

Carrying out Media Blitz, getting the word out to 130 media outlets. Carrying out VETO campaign- organizing other organizations in call-ins and fax-ins to President Clinton.

Texas Alliance For Human Needs-Texas (512)474-5019

Coordinating generating emergency responses in actions, calls and letters to President Clinton from around state of Texas.

Tennessee Hunger Coalition (615)296-3888

Current list of organizations and cities participating in the National Day of Actions includes:

Welfare Rights Committee-Minneapolis-St. Paul, Minnesota (612)822-8020
 J.E.D.I. for Women-Salt Lake City, Utah (801)364-6562
 Welfare Reform Network of New York City (212)344-0195
 National Council of La Raza (202)776-1717
 Center on Social Welfare Policy and Law-New York (212)633-6867
 National Welfare Rights Union (215)629-5616
 National Welfare Rights and Reform Union (514)252-2160
 ROWEL-Reform Organization of Welfare- St. Louis, Missouri (314)361-3400
 - Kansas City, Missouri
 - Columbia, Missouri

WROC-Welfare Rights Organizing Coalition-Seattle, Washington (206)324-3063
 Kensington Welfare Rights Union-Philadelphia, Pennsylvania (215)629-5616
 Welfare Warriors-Milwaukee, Wisconsin (414)342-6662
 Ohio Welfare Rights Organization-Columbus, Ohio (614)467-0300
 Welfare Working for Equality and Liberation-Missoula, Montana (406)543-2530
 Minnesota Welfare Rights Coalition-Minnesota (218)722-0257
 Women's Economic Agenda Project-California (510)451-7379
 Nevada Empowered Women's Project-Nevada (701)882-3440
 Barton Hill Neighborhood Organization-California (310)832-9645
 Women's Work Group-Hawaii (808)521-1787
 Idaho Hunger Action Council-Idaho (208)338-7010
 Southside Welfare Rights Organization-St. Louis, Missouri (314)534-6627
 Women's Statewide Legislative Network-Massachusetts (617)426-1678
 Women and Welfare Action Coalition-Massachusetts (617)426-1678
 People of Color Task Force on Welfare-Massachusetts (617)426-1678
 Suffolk Welfare Warriors-New York (516)732-0525
 State Organization of Client Advocates-Ohio (614)298-0661
 Low Income People Organizing for Power, Mothers Organizing Duluth-
 Duluth, Minnesota (218)722-0257
 Empowerment Center of Greater Cleveland-Ohio (former Welfare Rights) (216)241-6926
 Californians United for Immigrants' Rights-Los Angeles, California (213)748-2022 ext.35
 Boyaville of Michigan-Southfield, Michigan (510)569-6630
 Rhode Island Campaign to Eliminate Childhood Poverty-Rhode Island (401)728-5555
 George Wiley Center-Rhode Island: Rhode Island Parents for Progress; Rhode Island Gray Panthers
 (401)728-5555

POWVER-Anchorage, Alaska (907)272-3872
 Poverty Network Initiative of Wisconsin-Wisconsin 1-800-920-9925
 Fair Budget Action-Seattle, Washington (206)727-0371
 Georgia Coalition on Hunger-Georgia (404)822-7778
 Georgia Welfare Rights Union-Georgia (404)822-7778
 People Escaping Poverty Project-Moorehead, MN/Fargo, North Dakota (218)236-6434
 Women United for Justice, Community and Family-Boulder, Colorado (303)393-6326
 Kalamazoo Coalition for Justice-Kalamazoo, Michigan (616)349-3027
 Welfare Rights Organization-New Orleans, Louisiana (504)944-1112
 Public Welfare Coalition of Illinois-Illinois (312)431-0766
 Texas Alliance For Human Needs-Texas (512)474-6019
 New Jersey Human Services Coalition-New Jersey (809)961-0800
 Women For Change-Winona, Minnesota (507)452-4440
 Tennessee Hunger Coalition-Tennessee (615)298-3588
 Utah Council of La Raza-(801)483-1167

DLC *news release*

Democratic Leadership Council 515 C Street, NE • Washington, DC 20002 • 202-516-0007 • FAX: 202-516-0028

FOR IMMEDIATE RELEASE

Contact: Chip Azano
Phone: 202/546-0007
e-mail: press@dlecpi.org

Statement of Al From, President
Democratic Leadership Council
Regarding President Clinton's Statement on Welfare Reform
July 31, 1996

President Clinton's decision to sign welfare reform legislation should put to rest questions about whether he is willing to govern as a New Democrat. With his signature, he will redeem the most prominent pledge of his 1992 campaign, to "end welfare as we know it." More importantly, he will set in motion the transformation of welfare from a system that writes checks to one that finds people jobs, and from one that creates dependence to one that creates opportunity and promotes responsibility, ensuring that our national policy reflects the values most Americans share.

The President is also right that the bill is not perfect, and we stand ready to work with him to correct the deficiencies. Most of all, Democrats should now put behind them the fight over federal legislation and join ranks to ensure that state welfare reform efforts put people into work instead of onto the streets.

SPECIAL

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**

ROUTE SLIP

TO: See below.

Take necessary action

Approval signature

Comment

Prepare reply

Discuss with me

For your information

See remarks below

FROM: Melinda Haskins (5-3923) **DATE:** August 6, 1996

REMARKS

Attached is the latest draft of the signing statement for H.R. 3734 (welfare reform). Please provide me with comments by 10 a.m. tomorrow.

TO: Jill Blickstein (for Jack Lew)

Kenneth Apfel

Mary Cassell

Nancy-Ann Min

Sarah Bianchi

Larry Haas

Chuck Kieffer

Robert Damus

Barry Anderson

Bruce Reed

Diana Fortuna

Elena Kagan

Barry White

Keith Fontenot

Jeff Farkas

Lester Cash

Jack Smalligan

Barry Clendenin

Mark Miller

Bonnie Washington

Nikki Highsmith

cc: Jim Jukes
Janet Forsgren

DRAFT

Draft August 6, 1996 (4:30 p.m.)

STATEMENT BY THE PRESIDENT

Today, I am signing into law the "Work and Personal Responsibility Reconciliation Act of 1996". While far from perfect, this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family.

H.R. 3734 honors my basic principles of real welfare reform. It requires work of welfare recipients, limits the time that they can stay on welfare, and provides child care and health care for those who move from welfare to work. It demands personal responsibility, and puts in place tough child support enforcement measures. It promotes ^{family} families and protects children.

This bipartisan legislation is significantly better than the bills that I vetoed. The Congress has removed many of the worst provisions of the vetoed bills and has included many of the improvements that I sought. I am especially pleased that the Congress has preserved the guarantee of health care for the poor, the elderly, and the disabled.

Most important, H.R. 3734 is tough on work. Not only does it include stringent work requirements, it provides \$4 billion more in child care than the vetoed bills -- so that parents can end their dependency on welfare and go to work -- and maintains health and safety standards for day care providers. The bill also gives States positive incentives to move people into jobs and holds them accountable for maintaining spending on welfare

reform. In addition, it gives States the ability to create community service jobs and to provide employers with incentives to hire people off welfare.

Second, H.R. 3734 does ^{much} more to protect children than the vetoed bills. It cuts spending on childhood disability programs less deeply and does not unwisely change the child protection programs. It maintains the national nutritional safety net, by eliminating the Food Stamp cap and Food Stamp and School lunch block grants that the vetoed bills contained. In addition, it preserves the Federal guarantee of health care for individuals who receive cash assistance or are in transition from welfare to work.

Furthermore, H.R. 3734 includes the tough personal responsibility and child support enforcement measures that I proposed two years ago. It requires minor mothers to live at home and stay in school as a condition of assistance. It cracks down on parents who fail to pay child support by garnishing their wages, suspending their driver's license, tracking them across State lines, and, if necessary, making them work off what they owe.

For these reasons, I am signing this legislation. I am doing so, however, with strong objections to certain provisions, which I am determined to correct.

First, while H.R. 3734 preserves the national nutritional safety net, its cuts to the Food Stamp program are too deep. Specifically, the Act reinstates a maximum on the amount that can be deducted for shelter costs when determining an individual's

eligibility for Food Stamps. In addition, the bill restricts unemployed, non-disabled childless adults' participation in the Food Stamp program to three months within a 36 month period, regardless of whether there any jobs or job training slots available.

These Food Stamp provisions are unduly harsh. They will disproportionately affect low-income families with children and high housing costs as well as individuals actively seeking work.

Second, I am deeply disappointed that this legislation would deny Federal assistance to legal immigrants and their children, and give States the option of doing the same. The Administration supports holding sponsors who bring immigrants into this country more responsible for their well-being. Legal immigrants and their children, however, should not be penalized if they become disabled and require medical assistance through no fault of their own.

Denial of Federal assistance to legal immigrants simply will shift costs to States, localities, hospitals, and medical clinics that serve large immigrant populations. Furthermore, States electing to deny these individuals assistance could be faced with constitutional challenges and protracted legal battles.

H.R. 3734 fails to provide adequate contingency funding for States that experience a serious economic downturn. In addition, we should work to ensure that States provide in-kind vouchers to children whose parents reach the five-year Federal time limit without finding work.

This legislation gives States the responsibility that they have sought to reform the welfare system. This is a profound responsibility, and States must face it squarely. I challenge each State to take advantage of its new flexibility to use money formerly available for welfare checks to encourage the private sector to provide jobs.

The best anti-poverty program is still a job. H.R. 3734 combined with the newly increased minimum wage and the Earned Income Tax Credit -- which this legislation maintains -- will make work pay for more Americans.

I am determined to work with the Congress in a bipartisan effort to correct the provisions of this legislation that go too far and have nothing to do with welfare reform. But, on balance, this bill is a real step forward for our country, for our values, and for people on welfare. I am pleased to sign H.R. 3734 into law and make welfare what it was meant to be: a second chance, not a way of life.

July 29, 1996

MEMORANDUM TO LEON PANETTA
HAROLD ICKES
BRUCE REED

FROM: Marcia Hale
Emily Bromberg

SUBJECT: Welfare Reform

The following is an update on the position of state and local elected officials on welfare reform:

Governors: With some modifications, the Governors are comfortable with the provisions contained in the Senate bill. The NGA sent a letter to conferees on Friday, requesting changes in the hours of work, and the definition of work activities, rates, and sanctions. They asked for time limits on cash benefits only and expressed concern about the House language which permanently bars legal immigrants from receiving Medicaid. In addition, they opposed the provision that denies federal means-tested benefits to individuals who have been convicted of drug use, possession or distribution on the basis that it is impossible to enforce.

State Legislators: The National Conference of State Legislators is concerned by both the House and Senate welfare reform legislation. They believe that, if passed, these pieces of legislation would shift costs to the states, limit program flexibility, and impose unfunded mandates. NCSL is meeting this week, and will release a more specific policy.

County Officials: The National Association of Counties issued a press release calling on the President to veto welfare reform. Last Wednesday, NACO released a press statement which outlined their concerns with the House bill. NACO asserts that if the President does not veto the bill, essential services will have to be cut or taxes will have to be raised. The foremost concern of counties is that this bill creates unfunded mandates. In the statement, NACO President Michael Hightower is quoted as saying that, "the American people are being misled...there is no way we can absorb the federal government's costs all at once."

NACO's specific concerns include: the end of the AFDC entitlement, the denial of SSI and Food Stamps to legal immigrants, and the increase in work participation rates with increased penalties, without recognizing that work programs increase costs. NACO members are lobbying their congressional delegations and holding press conferences in their counties.

Mayors: The US Conference of Mayors opposes the welfare reform bills currently being considered by the conference committee. Their concerns include the end to the entitlement nature of AFDC, the legal immigrant provisions of the bills, and the overall size of the cuts. Mayors Rice of Seattle, Rendell of Philadelphia, Menino of Boston, Daley of Chicago, and Brown of San Francisco have expressed their opposition to the bills.

Finally, 80 local elected officials in California sent a telegram to the President urging him to veto any welfare reform bill that bars benefits to legal immigrants. LA County Supervisors Burke and Yaroslovsky and Mayor Brown organized this effort.

**NATIONAL
GOVERNORS'
ASSOCIATION**

Rob Miller
Governor of Nevada
Chairman

Raymond C. Scheppach
Executive Director

George V. Voinovich
Governor of Ohio
Vice Chairman

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1512
Telephone (202) 624-5300



July 26, 1996

Dear Conferee:

RE: Welfare Reform Conference

As you and your colleagues meet to craft a conference agreement on the Personal Responsibility and Work Opportunity Act of 1996, the National Governors' Association urges you to adopt our bipartisan recommendations to enable states to implement meaningful and effective welfare reform programs.

Governors strongly embrace the transformation of welfare into a transitional program leading to work. States, in fact, have taken the lead in developing innovative programs around work. However, we are concerned that there are provisions in both the House and Senate bills that restrict state flexibility and will create additional unfunded costs. We believe, too, that the work requirements and other provisions in the bill must be reasonable and flexible to accommodate the varying economic situations and status of reform efforts that exist among states.

Governors recommend the following.

Hours of Work—NGA policy strongly supports limiting the required hours of work for single parent families to 20 hours in FY 1997-1998 and 25 hours in FY 1999 and thereafter. According to CBO, states will need an additional \$13 billion above what is provided in the Senate bill to meet the work requirements which include a 35 hour work requirement in later years. Giving states the option to limit the hours to 25 will make it more likely that states will actually be able to meet the work participation rate. The House bill, which would require single parents to work 30 hours in FY 2000 and thereafter is closer to the NGA policy.

Work activities defined—NGA supports the Senate provision that would give states the *option* to provide educational training to recipients and have their participation count, in a limited way, toward the work participation rate. We urge conferees to recede to the Senate provisions that would allow states to count 30% of individuals engaged in educational activities for 24 months. For many individuals, basic education, such as literacy, is a critical first step toward getting a job.

NGA also recommends adoption of the House language which does not impose an age limit on education related to employment or secondary school for those who have not completed high school.

Work rates—NGA supports the work participation rates that were contained in HR 3507/S 1795, as introduced, which are five percent lower than the current versions of the bills. Without additional resources, CBO estimates that most states will have difficulty meeting the rates. NGA asks conferees to return to these levels.

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July 26, 1996

Counting individuals who leave welfare for work—NGA policy takes a strong position that states should receive credit in the work participation rate for successfully moving people off welfare and into employment, thereby meeting one of the primary goals of welfare reform. NGA urges conferees to add a provision to the conference agreement that would allow states to count at least a portion of these individuals, or to count them for a specified amount of time in the work rate calculation.

Job Search—The NGA clearly prefers House language which allows job search and job readiness to count toward the work participation rate for up to 8 weeks a year. NGA policy supports job search and job readiness counting for 12 weeks a year. NGA urges you to modify the House provision, however, by striking the sentence which would have the effect of counting as a whole week of job search (and thereby against the 8-week limit), any time spent on job search—even one hour. Job search has proven to be a cost-effective strategy for moving people from welfare to work and states should be encouraged to provide it.

Penalties on work rate and other areas—NGA strongly urges conferees to delete the additional penalties imposed under the Senate bill. The Senate bill would add an additional 5% penalty to the existing penalty on states for failure to meet the work requirement. This would be applied cumulatively for consecutive failure to meet the work requirement. This is unduly harsh, particularly given the stringent work requirements, and will significantly reduce the federal funds necessary to achieve welfare reform.

We also urge conferees to strike the Senate provision which authorizes the Secretary to impose penalties on states for failure to comply with any provision in Title IV-A or a state's plan. This is a broad expansion of the Secretary's authority.

Fair and Equitable Treatment—The language in the House bill, requiring states to set forth objective criteria for the delivery of benefits and the determination of eligibility is consistent with the NGA welfare proposal. Some states are concerned that the language in the Senate bill requiring states to "treat families with similar needs and circumstances similarly" is ambiguous and may be contrary to some existing waivers, may inhibit states' ability to design programs including personal responsibility contracts, and could lead to unnecessary litigation.

No sanctions allowed for failure to participate in work—Both bills prohibit states from sanctioning families with children under age 11 if the family proves that failure to participate in work was due to lack of child care. These families will be counted in the work rate calculation, effectively penalizing states and making it harder to meet the work rate requirements. The bills, as introduced, limited the exception to families with children under age six.

Pro rata reduction in work rates—NGA encourages conferees to add FY 1994 as a base year for comparisons of net caseload reduction so that states can choose FY 1994 or FY 1995, whichever is higher. Without this modification, states that began their welfare reform innovations early and have already had demonstrated successes may not benefit from this provision. We also urge you to allow an adjustment to net out effects on caseload size due to increases in a state's population. Otherwise, high growth states do not benefit equally from this provision.

Page 3
July 26, 1996

Denial of benefits to individuals with a drug conviction—NGA urges the conferees to recede to the House and strike the provision in the Senate bill that denies federal means-tested benefits to individuals who have been convicted of drug use, possession or distribution. This will be an extremely costly provision, if not impossible, for states to enforce requiring an exchange of information and tracking that does not routinely occur now. States are very concerned about the unfunded costs associated with this provision.

Contingency Fund – NGA asks conferees to strike a provision in the “reconciliation” language of the contingency fund that effectively reduces the federal match that states would receive from the contingency fund unless states drew down from the fund in every month of the year.

Time Limit on Cash Only—NGA supports the five-year time limit applying *only to cash assistance*. States should have the flexibility to provide transportation, job retention counseling and other non-cash services.

Cuts in the Social Services Block Grant (SSBG)—NGA opposes the 20% cut in the SSBG contained in the Senate bill and urges conferees to recede to the House bill and limit the cut to 10%. States use a significant portion of the SSBG for child care for low-income families.

Regulation E Exemption—NGA urges conferees to retain the provisions in both bills which provide a *full* Regulation E exemption for all state and local electronic benefits transfer (EBT) programs. NGA strongly supports this exemption which is necessary for states to move ahead with EBT. Recently-proposed alternatives to a full exemption are not acceptable because they continue to create a new entitlement and unfunded mandate.

Legal Immigrant Permanent Bar on Medicaid—States are greatly concerned about the House language which permanently bars legal immigrants from receiving Medicaid. This represents a significant cost shift to the states.

FOOD STAMPS

Food Stamp Work Requirement—NGA opposes the House provision which limits food stamps receipt to 3 months for non-working able-bodied individuals age 18-50 without dependents. This provision creates tremendous demands on states' information systems, requiring states to track an individual's food stamp participation history for as long as 32 years.

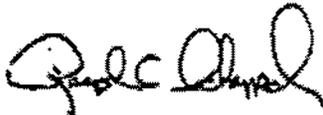
The NGA supports the Senate provision which would allow four months of receipt each year, with work required during the remaining eight months. NGA also supports the additional flexibility provided in the Senate bill which allows states to count up to two months of job search toward the work requirement and allows a 20% exemption of cases for hardship reasons.

Simplified Food Stamp Program (SFSP). NGA supports the provision in the Senate bill for determining cost neutrality under the SFSP which allows adjustments for changes in other public assistance benefits and allows for a corrective action period.

Page 4
July 26, 1996

Food Stamp Waivers—States support the provision in the House bill which broadens the waiver authority of the Secretary of USDA to grant waivers under the food stamp program to undertake innovative welfare reform strategies.

Sincerely,



Raymond C. Scheppach
Executive Director



NEWS RELEASE

440 First St., N.W., Washington, D.C. 20001-2080

202/393-6226 fax 202/393-2630

For Release: July 24, 1996

Contact: Shawn Bullard 202/942-4212

Counties urge Clinton to veto welfare bill

Washington, D.C. - County officials are warning the President that if he does not veto the welfare reform bill he will leave them with only two options: they will have to cut essential services, such as law enforcement and fire protection, or they will have to raise local taxes. County officials are waging the national campaign with letters and phone calls to the President in hopes that they can convince him to veto it.

"Unfortunately, the American people are being misled," said National Association of Counties (NACo) President Michael Hightower. "Be assured, we can develop more efficient welfare programs at the county government level, but there is no way we can absorb the federal government's costs all at once."

As the level of government closest to the people, county officials argue that by capping the fiscal responsibility of the federal government and reducing a state's match, counties will be ultimately responsible for services not covered adequately by the states. County leaders expect the bill (H.R. 3734) to shift billions of dollars of costs to local taxpayers.

Counties are most concerned with bill language that would end the entitlement of Aid to Families with Dependent Children (AFDC), thereby dismantling the safety net for children; denying of Supplemental Security Income (SSI) and Food Stamps to legal immigrants; and authorizing unrealistic increased work participation rates with increased penalties, without recognizing that work programs initially increase administrative costs.

One state that is expected to be particularly hard hit is California. The California State Association of Counties estimates that the loss of federal assistance to legal immigrants may cost California counties over \$10 billion over six years. In a letter to the President dated July 22, California county officials warned that reducing federal payments for legal immigrants in the bill would be a financial disaster for Los Angeles County.

OVER

Page 2

Counties ask Clinton for veto

"In California, counties are responsible for 100 percent of the general assistance costs, which is a state mandate, so any loss in federal coverage is a direct shift to counties," said Los Angeles County Supervisor Yvonne Burke.

Los Angeles County estimates that denying SSI and Food Stamps to most legal immigrants would shift \$236 million a year of federal responsibility to the county, without the federal dollars to pay for it. County officials add that the House provision denying Medicaid to most legal immigrants would exacerbate the cost shift to counties.

Most counties also are concerned that the bill lacks sufficient funds to operate welfare to work programs efficiently.

"It is a fact that Minnesota counties estimate that it will cost us over \$44 million to meet the FY 1997 work requirements," said Randy Johnson, NACo president-elect and Hennepin County, Minn., Commissioner.

"We agree with the bill's intent that able-bodied people should be expected to work their way off welfare, but we know from experience that properly run welfare work programs initially cost more money and counties can't be expected to pick up the full costs," Johnson said.

Of these costs, Minnesota county officials expect about \$15 million would be in additional child care costs. Since work participation requirements increase every year, Johnson said the cost will rise every year.

Check out NACo's Web page! <http://www.NACo.org>

Randy Johnson	612-348-7885
Yvonne Burke	213-955-6067
Michael Hightower	404-730-4259



THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST
 WASHINGTON, D.C. 20006
 TELEPHONE (202) 293-7330
 FAX (202) 293-2352
 TDD (202) 293-9445

July 17, 1996

President
 RICHARD M. DALEY
 Mayor of Chicago

Dear Senator:

Vice President
 PAUL HELMKE
 Mayor of Fort Wayne

Advisory Board Chair
 DEEDEE CORRADINI
 Mayor of Salt Lake City

Executive Director
 J. THOMAS COCHRAN

The U.S. Conference of Mayors has long advocated reform of the current welfare system which would change it from a system of dependency to one of work and self-sufficiency. We would like to see welfare reform enacted this year - reform that would be good for our nation, good for our cities and, most important, good for recipients.

We have, however, serious concerns with the welfare reform legislation now moving through Congress. Our primary concern is that the legislation will harm children, increasing the poverty rate among children and making many children who are currently poor even poorer.

The Conference of Mayors has a substantial body of adopted policy on welfare reform. Our basic principles for welfare reform are:

- * the availability of: jobs which pay a living wage, health care coverage and child care;
- * provisions which encourage fathers to assume responsibility for providing both financial and emotional support to their children;
- * welfare benefits sufficient to maintain a standard of living compatible with health and well-being, and which remain available for a period of time determined by the client's need rather than an arbitrary time limit;
- * a system based on incentives rather than punitive measures.

While S 1795 represents an improvement over HR 4, with increased funding for child care, maintenance of the entitlement nature of foster care and adoption assistance, and maintenance of the current mix of child nutrition programs, the bill does not meet the principles for welfare reform which we have set. Unless these concerns are addressed, The U.S. Conference of Mayors must urge you to vote against S 1795.

Cardell Cooper
 Mayor of East Orange
 Chair, Health and Human Services Committee

Sincerely,

Richard M. Daley
 Mayor of Chicago
 President

URGENT

President Clinton
White House
1600 Pennsylvania Ave.
Washington, D.C. 20510

Dear Mr. President:

As California elected officials, we urge you to reject the provisions of HR 3734 which bars benefits to legal immigrants and veto any welfare reform bill which contains these punitive restrictions.

This assault on legal immigrants is, in fact, an attack on California. Our state alone would absorb over 40 percent of the federal funding losses from these provisions -- an estimated \$10 billion of the nearly \$25 billion over six years.

Terminating benefits to legal immigrants has nothing to do with legitimate welfare reform. Immigrants who respect our laws and who have come to the United States in compliance with those laws do not deserve this treatment.

Please reject this anti-California language and stand up for welfare reform which is fair to all regions of the nation.

Thank you for your consideration of our appeal.

Yvonne Brathwaite-Burke
Supervisor, Los Angeles County

Zev Yaroslavsky
Supervisor, Los Angeles County

Willie L. Brown, Jr.
Mayor of San Francisco

Bill Lockyer
President Pro Tempore
California State Senate

Richard Katz.
Assembly Democratic Leader

Senator Alfred E. Alquist
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Senator Teresa Hughes
Senator Lucy Killea
Senator Milton Marks
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Senator Mike Thompson
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 Assemblymember Cruz M. Bustamante Assemblymember Joe Baca

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Assemblymember Susan Davis	Assemblymember Kevin Murray
Assemblymember Denise Moreno Ducheny	Assemblymember Willard Murray
Assemblymember Martha Escutia	Assemblymember Grace Napolitano
Assemblymember Liz Figueroa	Assemblymember Jackie Speier
Assemblymember Barbara Friedman	Assemblymember Mike Sweeney
Assemblymember Martin Gallegos	Assemblymember Curtis Tucker
Assemblymember Phillip Isenberg	Assemblymember John Vasconcellos
Assemblymember Wally Knox	Assemblymember Antonio Villaraigosa
Assemblymember Sheila Kuehl	

Supervisor Mike Nevin, President - California State Association Of Counties

Supervisor Keith Carson - Alameda County
 Supervisor Wilma Chan - Alameda County
 Supervisor Jeff Smith - Contra Costa County
 Supervisor Charles E. Harris, Sr. - Glenn County
 Supervisor Julie Fulkerson - Humboldt County
 Supervisor Charles Peterson - Mendocino County
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 Supervisor Tom Ammiano - San Francisco County
 Supervisor Sue Bierman - San Francisco County
 Supervisor Amos Brown - San Francisco County
 Supervisor Tom Hsieh - San Francisco County
 Supervisor Leslie Katz - San Francisco County
 Supervisor Barbara Kaufman - San Francisco County
 Supervisor Susan Leal - San Francisco County
 Supervisor Kevin Shelley, President - San Francisco County
 Supervisor Mabel Teng - San Francisco County
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 Supervisor Ruth Brackett - San Luis Obispo County
 Supervisor Evelyn Delany - San Luis Obispo County
 Supervisor Laurence L. Laurent, Chair - San Luis Obispo County

Supervisor Harry Ovitt - San Luis Obispo County
Supervisor Tim Smith - Sonoma County
Supervisor Betsy Marchand - Yolo County

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Mayor Joan Darrah, Stockton

Los Angeles City Council Members

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Richard Alatorre
Mike Feuer
Ruth Galanter
Jackie Goldberg
Mike Hernández
Marvin Braude
Mark Ridley-Thomas
Joel Wachs
Rita Walters

James K. Hahn, Los Angeles City Attorney
Rick Tuttle, Los Angeles City Controller
Jeff Horton, President, Los Angeles City Board Of Education
Helen S. Kawagoe, City Clerk, City Of Carson



DEPARTMENT OF HEALTH & HUMAN SERVICES

Melissa T. Skolfield

Assistant Secretary for Public Affairs

Phone: (202) 690-7850

Fax: (202) 690-5673

To:

Bruce Reed

Fax:

456-5557

Phone:

Date:

8/12/96

Total number of pages sent:

3

Comments:

August 9, 1996

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We are dismayed with your decision to sign the recently passed welfare reform bill. We fear that the legislation will do great harm to millions of Americans and the nation as a whole and are very disappointed by your support of this approach.

You and many of the congressional sponsors of the bill have acknowledged that the bill has flaws and poses considerable risks for the people who will be directly affected. Specifically, you mentioned your concerns about the deep cuts in the food stamp program and the harsh provisions affecting legal immigrants. We share your belief that the changes in these two areas are very harmful and hope to work with your Administration to change them as soon as possible. Our organizations have many other concerns with the bill that we also hope to work with your Administration to address.

In your July 31 press briefing, you promised to monitor carefully the actions of the states and the possible effects of these changes in law on poor and vulnerable people. In addition to any revisions to the welfare bill that may be enacted, we believe the nation needs a mechanism to track the effects of these policy changes, particularly on those who will no longer be eligible to receive any public assistance.

In order to assure that adequate information is collected to evaluate the effects of this legislation and to inform any future reform efforts, we urge you to request from Congress an urgent supplemental appropriation for the Department of Health and Human Services, the Social Security Administration and the Department of Agriculture to investigate the outcomes of the welfare, SSI and food stamp changes on children and families. The Department of Labor should also receive a supplemental appropriation to study the impact of the welfare bill on low wage workers and conditions in the low wage labor market.

Given the grave reservations that you and so many others have expressed about the possible impact of these dramatic and unprecedented policy changes, collecting the basic information necessary to evaluate their implementation would seem to be an extremely high priority.

Sincerely,

(Signatory organizations on following page)

To Rahma Bruce -
Want to pacify these
backs? We should certainly
say we'll include in next
year's budget. would not
cost much.

Melina

ACORN

American Ethical Union, Washington Ethical Action Office
 American Federation of State, County and Municipal Employees
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 Women's Division, Office of Public Policy United Methodist Church
 Women's Legal Defense Fund
 Women Organizing for Change
 Women Work!: The National Network for Women's Employment

cc: The Honorable Dan Glickman, Secretary, Department of Agriculture
 The Honorable Donna E. Shalala, Secretary, Department of Health and Human Services
 The Honorable Robert B. Reich, Secretary, Department of Labor
 The Honorable Shirley S. Chauer, Commissioner, Social Security Administration

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

LRM NO: 6346

FILE NO: 2362

URGENT

8/13/96

LEGISLATIVE REFERRAL MEMORANDUM

Total Page(s): 6

TO: Legislative Liaison Officer - See Distribution below:

FROM: Janet FORSGREN *Janet Forsgren* (for) Assistant Director for Legislative Reference

OMB CONTACT: Melinda HASKINS 395-3923 Legislative Assistant's Line: 395-3923
C=US, A=TELEMAIL, P=GOV+EOP, O=OMB, OU1=LRD, S=HASKINS, G=MELINDA, I=D
haskins_m@a1.eop.gov

SUBJECT: Office of Management and Budget Proposed Signing Statement RE: HR3734,
Personal Responsibility and Work Opportunity Reconciliation Act

DEADLINE: 5 PM Tuesday, August 13, 1996

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President.

Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

* COMMENTS: Please review the attached draft signing statement for H.R. 3734. This deadline is firm. *

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Draft

DRAFT

STATEMENT BY THE PRESIDENT

Today, I am signing into law the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996". While far from perfect, this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family.

H.R. 3734 honors my basic principles of real welfare reform. It requires work of welfare recipients, limits the time that they can stay on welfare, and provides child care and health care for those who move from welfare to work. It demands personal responsibility, and puts in place tough child support enforcement measures. It promotes family and protects children.

This bipartisan legislation is significantly better than the bills that I vetoed. The Congress has removed many of the worst provisions of the vetoed bills and has included many of the improvements that I sought. I am especially pleased that the Congress has preserved the guarantee of health care for the poor, the elderly, and the disabled.

Most important, H.R. 3734 is tough on work. Not only does it include stringent work requirements, it provides \$4 billion more in child care than the vetoed bills -- so that parents can end their dependency on welfare and go to work -- and maintains health and safety standards for day care providers. The bill also gives States positive incentives to move people into jobs and holds them accountable for maintaining spending on welfare.

DRAFT

reform. In addition, it gives States the ability to create community service ^{subsidized} jobs and to provide employers with incentives to hire people off welfare.

Second, H.R. 3734 does much more to protect children than the vetoed bills. It cuts spending on childhood disability programs less deeply and does not unwisely change the child protection programs. It maintains the national nutritional safety net, by eliminating the Food Stamp cap and the Food Stamp and School lunch block grants that the vetoed bills contained. In addition, it preserves the Federal guarantee of health care for individuals who receive cash assistance or are in transition from welfare to work.

Furthermore, H.R. 3734 includes the tough personal responsibility and child support enforcement measures that I proposed two years ago. It requires minor mothers to live at home and stay in school as a condition of assistance. It cracks down on parents who fail to pay child support by garnishing their wages, suspending their driver's licenses, tracking them across State lines, and, if necessary, making them work off what they owe.

For these reasons, I am ^{proudly} signing this legislation. I am ^{maybe our last best chance to fix it.} doing so, however, with strong objections to certain provisions, which I am determined to correct.

First, while H.R. 3734 preserves the national nutritional safety net, its cuts to the Food Stamp program are too deep. Specifically, the Act reinstates a maximum on the amount that can be deducted for shelter costs when determining an individual's

DRAFT

eligibility for Food Stamps. This provision will disproportionately affect low-income families with children and high housing costs.

Second, I am deeply disappointed that this legislation would deny Federal assistance to legal immigrants and their children, and give States the option of doing the same. The Administration supports holding sponsors who bring immigrants into this country more responsible for their well-being. Legal immigrants and their children, however, should not be penalized if they become disabled and require medical assistance through no fault of their own. I, therefore, ^{will} am directing the Immigration and Naturalization Service to ^{remove all bureaucratic obstacles that stand in the way of} speed up the naturalization of legal immigrants ^{becoming citizens} ~~in order to soften the harsh impact of this~~ legislation.

In addition to placing an undue hardship on affected individuals, denial of Federal assistance to legal immigrants will shift costs to States, localities, hospitals, and medical clinics that serve large immigrant populations. Furthermore, States electing to deny these individuals assistance could be faced with serious constitutional challenges and protracted legal battles.

I have concerns about other provisions of H.R. 3734. The bill fails to provide sufficient contingency funding for States that experience a serious economic downturn, and it fails to provide Food Stamp support to unemployed childless adults who are willing to work, but are not offered a work slot. In addition, we must work to ensure that States provide in-kind vouchers to

DRAFT

children whose parents reach the five-year Federal time limit without finding work.

H.R. 3734 gives States the responsibility that they have sought to reform the welfare system. This is a profound responsibility, and States must face it squarely. I challenge each State to take advantage of its new flexibility to use money formerly available for welfare checks to encourage the private sector to provide jobs.

The best anti-poverty program is still a job. Combined with the newly increased minimum wage and the Earned Income Tax Credit -- which this legislation maintains -- H.R. 3734 will make work pay for more Americans.

I am determined to work with the Congress in a bipartisan effort to correct the provisions of this legislation that go too far and have nothing to do with welfare reform. But, on balance, this bill is a real step forward for our country, for our values, and for people on welfare. I am pleased to sign H.R. 3734 into law and make welfare what it was meant to be: a second chance, not a way of life.

7/30/96

TO: Bruce Reed
From: Mickey Kaus

FYI -

FDR seems to have ended
two programs (which I was
conflating)

① the CWA, a public jobs
program, which he ended abruptly
in 1934

② the FERA, which seems to
have been more of a cash dole
("direct relief"), which FDR
ended at the same time as
he passed The Social Security
Act of 1935 and *started
The WPA

See Levchenberg pages that
follow

Good luck

⑧ pages follow



FRANKLIN D. ROOSEVELT AND THE NEW DEAL 1932 ★ 1940

By WILLIAM E. LEUCHTENBURG

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Diplomatic Affairs,
BY SINCE 1945.

Yet the day came when even the proudest family had to seek relief. The failure of the First National Bank in one Midwestern town forced twelve families on the county. When the bank collapsed, one woman, shouting and sobbing, beat on the closed plate-glass doors; all of her savings from a quarter of a century of making rag rugs had vanished. A woman who had taught the fourth grade for fifty-two years lost every penny she had set aside for her old age. Thousands of hard-working, thrifty people now had no alternative but to make their way to the relief office. "It took me a month," said an Alabama lumberman. "I used to go down there every day or so and walk past the place again and again." A Birmingham engineer put it more directly: "I simply had to murder my pride."⁶

On May 12, 1933, Congress authorized a half-billion dollars in relief money to be channeled by the federal government through state and local agencies. Eight days later, the President announced his choice to head the new Federal Emergency Relief Administration; the social worker Harry Hopkins, who had directed relief operations under Roosevelt in Albany. For a social worker, he was an odd sort. He belonged to no church, had been divorced and analyzed, liked race horses and women, was given to profanity and wisecracking, and had little patience with moralists. Joseph E. Davies said of him: "He had the purity of St. Francis of Assisi combined with the sharp shrewdness of a race track tout." A small-town Iowan, he had the sallow complexion of a boy who had been reared in a big-city pool hall. The artist Peggy Bacon set down in her sketchbook: "Pale urban-American type, emanating an aura of chilly cynicism and defeatist irony like a moony, melancholy newsboy selling papers on a cold night." As he talked to reporters—often out of the side of his mouth—through thick curls of cigarette smoke, his tall, lean body sprawled over his chair, his face wry and twisted, his eyes darting and suspicious, his manner brusque, iconoclastic, almost deliberately rude and outspoken, the cocksure Hopkins seemed, as Robert Sherwood later observed, "a profoundly shrewd and faintly ominous man." Virtually unknown when he took office, his name would be a household word by the end of the year. By Roosevelt's second term, he would be the most powerful man in the

Wright, "The Families of the Unemployed in Chicago," *Social Service Review*, VIII (1934), 17-30; Eli Ginzberg et al., *The Unemployed* (New York, 1943).
⁶ Marquis Childs, "Main Street Ten Years After," *New Republic*, LXXIII (1933), 263; Lorena Hieck to Harry Hopkins, April 2, 1934, Hopkins MSS.

administration; in the war years, confidant of Churchill, the emissar.
 A half-hour after Hopkins left in the hallway of the RFC building gulping down endless rounds of rettes, he spent over five million. In the next few months, he spent still was not doing enough. As with that unless the government acted.

When Hopkins explained to agency measures, the President Works Administration. Unlike the ation from top to bottom; CWA. The agency took half its workers people who needed jobs, but who poverty by submitting to a "me stipend but paid minimum was one winter almost as many men World War I, had to invent in thirty days and put them to the CWA employed 4,230,000 p roads, 40,000 schools, over 3,5 1,000 airports. Workmen reno and helped erect Pittsburgh's ployed fifty thousand teachers adult education classes in the

⁷ Robert Sherwood, *Roosevelt* Peggy Bacon, "Facts About Fa LXXXII (1935), 7; Arthur Sch (Boston, 1959), pp. 265-266; R York, 1944), pp. 120-121; "Rem 359.
⁸ Harry Hopkins, *Spending to a Springer, "The New Deal and th 347-352, 385, 388; Edward Ains York, 1939), pp. 58-56.
⁹ "Reminiscences—Civil Work 73; Sherwood, *Hopkins*, pp. 96 (Chicago, 1958), pp. 286-289.*

THE NEW DEAL

rest family had to seek relief. One Midwestern town forced bank collapsed, one woman, plate-glass doors; all of her living rag rugs had vanished. made for fifty-two years lost old age. Thousands of hard-labors but to make their way said an Alabama lumber-ry or so and walk past the engineer put it more directly:

half-billion dollars in relief government through state and ment announced his choice to Administration: the social relief operations under Roosevelt an odd sort. He belonged lyzed, liked race horses and racking, and had little pa- of him: "He had the purity sharp shrewdness of a race the sallow complexion of a pool hall. The artist Peggy urban-American type, em- featist irony like a moony, old night." As he talked to with—through thick curls of led over his chair, his face conscious, his manner brusque, outspoken, the cocksure observed, "a profoundly ally unknown when he took ord by the end of the year. to most powerful man in the

Chicago," *Social Service Review*, employed (New York, 1943). ster," *New Republic*, LXXIII April 2, 1934, Hopkins MSS.

ONE THIRD OF A NATION

121

administration; in the war years, he would sit next to the throne, the confidant of Churchill, the emissary to Stalin.*

A half-hour after Hopkins left the White House, he placed a desk in the hallway of the RFC building. Amidst discarded packing cases, gulping down endless rounds of black coffee and chain-smoking cigarettes, he spent over five million dollars in his first two hours in office. In the next few months, he spent money like a Medici prince. Yet he still was not doing enough. As winter approached, Hopkins recognized that unless the government acted quickly, millions faced extreme privation.⁷

When Hopkins explained to Roosevelt the critical need for emergency measures, the President authorized him to set up the Civil Works Administration. Unlike the FERA, CWA was a federal operation from top to bottom; CWA workers were on the federal payroll. The agency took half its workers from relief rolls; the other half were people who needed jobs, but who did not have to demonstrate their poverty by submitting to a "means" test. CWA did not give a relief stipend but paid minimum wages. Hopkins, called on to mobilize in one winter almost as many men as had served in the armed forces in World War I, had to invent jobs for four million men and women in thirty days and put them to work. By mid-January, at its height, the CWA employed 4,230,000 persons.⁸

In its brief span the CWA built or improved some 500,000 miles of roads, 40,000 schools, over 3,500 playgrounds and athletic fields, and 1,000 airports. Workmen renovated Montana's State Capitol Building and helped erect Pittsburgh's Cathedral of Learning. The CWA employed fifty thousand teachers to keep rural schools open and to teach adult education classes in the cities. It provided enough money to put

* Robert Sherwood, *Roosevelt and Hopkins* (New York, 1948), pp. 3, 49; Peggy Bacon, "Facts About Faces: IV. Harry Hopkins," *New Republic*, LXXXII (1935), 7; Arthur Schlesinger, Jr., *The Coming of the New Deal* (Boston, 1939), pp. 263-266; Raymond Clapper, *Watching the World* (New York, 1944), pp. 120-121; "Reminiscences of Will W. Alexander," COHC, II, 359.

⁷ Harry Hopkins, *Spending to Save* (New York, 1936), pp. 97-107; Gertrude Springer, "The New Deal and the Old Deal," *Survey Graphic*, XXII (1933), 347-352, 383, 388; Edward Ainsworth Williams, *Federal Aid for Relief* (New York, 1939), pp. 58-66.

⁸ "Reminiscences—Civil Works Administration," John Carmody MSS., Box 73; Sherwood, *Hopkins*, pp. 50-52; Louis Brownlow, *A Passion for Anonymity* (Chicago, 1958), pp. 286-288.

back to work every teacher on Boston's unemployed rolls. It hired three thousand artists and writers, and used a variety of other special skills. Opera singers toured the Ozarks; prehistoric mounds were excavated for the Smithsonian Institution; ninety-four Indians restocked the Kodiak Islands with snowshoe rabbits. The CWA pumped a billion dollars of purchasing power into the sagging economy.⁹

The CWA got the country through the winter. In Des Moines, men raced to the store with their first pay, able for the first time in months to shove cash instead of a grocery order across the counter. One Iowa woman reported: "The first thing I did was to go out and buy a dozen oranges. I hadn't tasted any for so long that I had forgotten what they were like." On Christmas Eve, streets were crowded with wives of CWA workers doing last-minute shopping for children who would otherwise have awoke to a bleak Christmas morning. By midnight, CWA employees in Columbus, Ohio, had swept bare the shelves of shoestores. In February, a record-breaking cold wave chilled the country—56 below in northern New England, 14 below in New York City, 8 below in Richmond, snow and hail in Florida—and only the CWA provided the margin of relief from cold and want.¹⁰

Alarmed at how much CWA was costing, Roosevelt ended it as quickly as he could. He feared he was creating a permanent class of reliefers whom he might never get off the government payroll. If CWA were continued into the summer, the President told his advisers, it would "become a habit with the country. . . . We must not take the position that we are going to have permanent depression in this country, and it is very important that we have somebody to say that quite forcefully to these people. . . . Nobody," he added blandly, "is going to starve during the warm weather."¹¹ Revelations of corruption reinforced Roosevelt's determination. The CWA proved immensely popular—with merchants, with local officials, and with workers—and

⁹ Henry Alsberg, *America Fights the Depression* (New York, 1934); Hopkins, *Spending to Save*, pp. 100-125; Florence Peterson, "CWA: A Candid Appraisal," *Atlantic Monthly*, CLIII (1934), 587-590; Schlesinger, *Coming of New Deal*, p. 270; *Time*, XXIII (February 5, 1934), 14; (February 19, 1934), 12; Corrington Gill, *Wasted Manpower* (New York, 1939), pp. 163-169.

¹⁰ Lorena Hickok to Harry Hopkins, November 25, December 4, 1933, Hopkins MSS; Louis Brownlow, *Passion for Anonymity*, p. 288; Sherwood, *Hopkins*, pp. 53-55.

¹¹ "Proceedings of the National Emergency Council, Dec. 19, 1933-April 18, 1936," microfilm, FDRL, session of January 23, 1934.

Senate progressives such as the death of the agency. Hopkins began demobilizing, and paced his pink. By early April, he had fir

In the spring of 1934 more. It continued the direct relief; bailed out Illinois, where 95 per cent of course of aiding rural areas such as loans to farmers. Self-help projects employed plants or mattress factories engaged in routine construction buildings and seven thousand and terraced land. But of white-collar workers, adults to read and write income families, and high college.¹²

It was this highly public most heated criticism. New York revealed the make "boondoggles," printing. Ever after, went back to pioneer a fifteen-year-old Eagle epithet for critics of the make FERA a political failing to give adequate averaged \$15.04 a week moreover, he could himself as a reliever test.

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¹² Hopkins, *Spending power*, pp. 169-175; L. 67-265.

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New York, 1934); Hopkins, "CWA: A Candid Ap- 20; Schlingler, *Coming of* 14; (February 19, 1934), 1939), pp. 165-169.

December 4, 1933, Hop- 288; Sherwood, *Hopkins*,

Dec. 19, 1933-April 10,

Senate progressives such as Cutting and La Follette strongly protested the death of the agency. But Roosevelt was adamant. On February 15, Hopkins began demobilization in the South, where weather was warm- est, and paced his pink slips with the northward move of the spring. By early April, he had fired four million workers.

In the spring of 1934, the FERA took up the relief burden once more. It continued the CWA's unfinished work projects; dispensed direct relief; bailed out stranded coal towns like Dewmaine and Colp, Illinois, where 95 per cent of the people were on relief; and, in the course of aiding rural areas, experimented with long-term projects such as loans to farmers and even the creation of new communities. Self-help projects employed jobless men and women in idle canning plants or mattress factories. Most of the relievers on works projects en- gaged in routine construction; FERA erected five thousand public buildings and seven thousand bridges, cleared streams, dredged rivers, and terraced land. But Hopkins sought too to use the particular skills of white-collar workers. The FERA taught over one and a half million adults to read and write, ran nursery schools for children from low- income families, and helped one hundred thousand students to attend college.²¹

It was this highly imaginative white-collar program that drew the most heated criticism, especially after an aldermanic investigation in New York revealed that an FERA official was teaching 150 men to make "boondoggies," such items as woven belts or linoleum-block printing. Ever after, "boondoggling"—the official claimed the term went back to pioneer days, but others insisted it had been invented by a fifteen-year-old Eagle Scout seven years before—served as the main epithet for critics of federal relief. Such disparagement threatened to make FERA a political liability, at the very same time that it was failing to give adequate relief. While the worker under CWA had averaged \$15.04 a week, he received only \$6.50 a week under FERA; moreover, he could get on FERA rolls only if he had first identified himself as a reliever and submitted to the humiliation of a "means" test.

By the end of 1934, the government had spent over two billion dol-

¹⁹ Hopkins, *Spending to Save*, pp. 126-165; Corrington Gill, *Wasted Man- power*, pp. 169-175; Edward Ainsworth Williams, *Federal Aid for Relief*, pp. 67-265.

lars on relief, and Roosevelt felt he had little to show for it. The wear of five years of depression was adding new people to the welfare rolls every day; some twenty million were receiving public assistance, and, in drought-stricken South Dakota, one-third of the state depended on the dole. Both Roosevelt and Hopkins believed the states should bear a greater share of the burden, and both thought direct relief sapped the morale of workers. "What I am seeking is the abolition of relief altogether," Roosevelt wrote Colonel House in November, 1934. "I cannot say so out loud yet but I hope to be able to substitute work for relief."¹³

In January, 1935, Roosevelt proposed a gigantic program of emergency public employment which would give work to three and a half million jobless. They would receive more than the relief dole but less than the prevailing wage so as not to "encourage the rejection of opportunities for private employment." He would turn the remaining million and a half on relief back to local charity as unemployables. The dole, Roosevelt told Congress, was "a narcotic, a subtle destroyer of the human spirit. . . . I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves or picking up papers in the public parks," he declared. "The Federal Government must and shall quit this business of relief."¹⁴

While Roosevelt's proposal to spend almost five billion dollars on work relief alarmed conservatives who favored the less costly dole, the stiffest opposition came from men who felt the President was not asking enough. Roosevelt advocated setting men to work at a "security wage" of roughly \$50 a month, about twice what they would get as a dole. The A.F. of L. feared that such a sum would undercut union scales, and advocated paying relievers according to the "prevailing wage scale" in the area. The fight for the "prevailing wage" united New Deal liberals such as Wagner and Black with opportunists like Huey Long, Father Coughlin, and Nevada's silver-haired Pat McCarran.

¹³ *Times*, XXV (April 13, 1935), 14-16; Schlesinger, *Coming of New Deal*, pp. 278-280; F.D.R. to E. M. House, November 27, 1934, FDRL PPF 222.

¹⁴ Samuel Rosenman (ed.), *The Public Papers and Addresses of Franklin D. Roosevelt* (13 vols., New York, 1938-50), V, 19-21; Schlesinger, *Coming of New Deal*, p. 294; Arthur Macmahon, John Millitt, and Gladys Oyden, *The Administration of Federal Work Relief* (Chicago, 1941), pp. 44-47; Daniel Roper to E. M. House, June 12, 1934, House MSS.

ran. Not until late March, after McCarran "prevailing wage" amendment agreed to give the President "discretion" on building projects. The Emergency Relief Act of 1933 authorized the greatest single United States or any other nation to spend this huge sum largely by a shift of power from Congress to the President.

The passage of the work relief bill was the result of a fight between Hopkins and Ickes. Ickes viewed Hopkins as an irresponsible pump but "just turning on the pump" and thought Ickes a crotchety sorehead. "Anything doesn't go his way, they hoped to revive the economy by would prime the pump through Ickes on the other hand, aimed at putting who were presently on relief. Since into three and a half million men get more men to work right away. President arrived at a rule of thumb. The two men, it was Hopkins who

Perhaps Roosevelt's decision was regrettable. Since projects were negligible, housing was dominant in the administration, as Hopkins' new projects to compete with private industry work, many WPA projects were of value.¹⁵ Yet given the problem, Hopkins showed remarkable ingenuity in much that

¹⁵ James Burns, "Congress and the Studies" (unpublished Ph.D. dissertation, 1960).

¹⁶ Schlesinger, *Coming of New Deal*, with F.D.R., "Saturday Evening Post," Seattle Charles. "Harry L. Hopkins," unpublished Ph.D. dissertation, University of California, September 7, 1935, FDRL MSS.

¹⁷ In 1939, the agency's name was changed to the Federal Works Administration.

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Schlesinger, *Coming of New Deal*,
27, 1934, FDRL PSF 222.
and *Addresses of Franklin D.*
19-21; Schlesinger, *Coming of*
Wells, and Gladys Oerlen, *The*
1911), pp. 44-47; Daniel

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ran. Not until late March, after the Senate had first voted for the
McCarran "prevailing wage" amendment, did it reverse itself and
agree to give the President "discretionary control" of relief wages, save
on building projects. The Emergency Relief Appropriation Act of
1935 authorized the greatest single appropriation in the history of the
United States or any other nation. The law, which permitted Roose-
velt to spend this huge sum largely as he saw fit, marked a significant
shift of power from Congress to the President.¹⁶

The passage of the work relief bill touched off a no-holds-barred
fight between Hopkins and Ickes for control of the nearly \$5 billion.
Ickes viewed Hopkins as an irresponsible spender who was not priming
the pump but "just turning on the fire-plug." Hopkins, in turn,
thought Ickes a crotchety sorkhead: "He is also the 'great resigner'—
anything doesn't go his way, threatens to quit. He borcs me." Ickes
hoped to revive the economy by large public works projects which
would prime the pump through heavy capital expenditures.¹⁷ Hopkins,
on the other hand, aimed at putting to work as many men as he could
who were presently on relief. Since Roosevelt had to divide his billions
into three and a half million men, Hopkins' approach—which would
get more men to work right away—had the greater appeal. When the
President arrived at a rule of thumb which split authority between
the two men, it was Hopkins who won out.

Perhaps Roosevelt's decision was inevitable, but it was nonetheless
regrettable. Since projects were chosen in which the cost of materials
was negligible, housing was doomed. Since the Works Progress Ad-
ministration, as Hopkins' new agency was called, was not permitted
to compete with private industry or to usurp regular governmental
work, many WPA projects were make-work assignments of scant
value.¹⁸ Yet given the problem Hopkins confronted, he displayed re-
markable ingenuity in much that he did. The WPA built or improved

¹⁶ James Burns, "Congress and the Formation of Economic Policies: Six Case Studies" (unpublished Ph.D. dissertation, Harvard University, 1947), pp. 55-85.

¹⁷ Schlesinger, *Coming of New Deal*, p. 217; Harold Ickes, "My Twelve Years with F.D.R." *Saturday Evening Post*, CXX (June 19, 1948), 30-31, 95-99; Searle Charles, "Harry L. Hopkins: New Deal Administrator, 1933-38" (unpublished Ph.D. dissertation, University of Illinois, 1953), p. 152; Harold Ickes to F.D.R., September 7, 1935, FDRL PSF 17.

¹⁸ In 1939, the agency's name was changed to the Work Projects Administration.

more than 2,500 hospitals, 5,900 school buildings, 1,000 airport landing fields, and nearly 19,000 playgrounds. It restored the Dock Street Theater in Charleston; erected a magnificent ski lodge atop Oregon's Mount Hood; conducted art classes for the insane in a Cincinnati hospital; drew a Braille map for the blind at Watertown, Massachusetts; and ran a pack-horse library in the Kentucky hills.¹⁶

The WPA's Federal Theatre Project employed actors, directors, and other craftsmen to produce plays, circuses, vaudeville shows, and marionette performances. To direct the project, Hopkins named the head of Vassar's Experimental Theatre, Hallie Flanagan. A classmate of Hopkins' at Grinnell, she had become an assistant to George Pierce Baker and had won the first Guggenheim Fellowship granted a woman. Outstanding theater people served as regional directors, including the playwright Elmer Rice, the actor Charles Coburn, and the critic Hiram Motherwell.

Far from being the rigidly bureaucratic operation critics had predicted, the Federal Theatre proved ready to experiment. It presented Marlowe's *Dr. Faustus* without scenery, using lighting to achieve effects, and offered *Macbeth* by an all-Negro company in a Haitian locale. The Poetic Theatre staged T. S. Eliot's *Murder in the Cathedral* and Alfred Kreymborg's production of W. H. Auden's satirical verse drama, *Dances of Death*. On the same night, the curtain rose on twenty-one stages in eighteen cities on the first presentation of Sinclair Lewis' *It Can't Happen Here*; there were even versions in Yiddish and Spanish. In New York, Lewis himself performed the role of his hero, Doremus Jessup. The Federal Theatre's most striking innovation, the "Living Newspaper," offered a kaleidoscopic dramatization of contemporary social and political issues. Critics protested, not unjustly, that "editions" like *Power* presented New Deal propaganda.

The Federal Theatre presented plays to many people who had never seen a theatrical production. In April, 1936, a touring company gave *Twelfth Night* in the town hall of Littleton, Massachusetts, Detroit witnessed *Liliom*, and Asheville, North Carolina, saw *Camille*, while Los Angeles had a choice of attractions at six different WPA theaters ranging from *Six Characters in Search of an Author* to plays in

¹⁶ Federal Works Agency, *Final Report on the WPA Program, 1935-42* (Washington, 1946); Works Progress Administration, *Inventory* (Washington, 1938); Grace Adams, *Workers on Relief* (New Haven, 1939), p. 101; *Life*, IV (February 26, 1938), 41-47.

French, Yiddish, and perched on benches to perform *Punch and* Henry Street Playhouse crowds who came to Federal Theatre plays.

The Federal Writers' Project, a former newspaperman, put out about a thousand critical guides; some as *U.S. One, Main* special studies as the *Zoo*. The 150 volumes moving *These Are* braced a notable series: *York, The Hopi, The* in Virginia. The project Vardis Fisher in Idaho Louisiana, reflected of regional lore, the Inlet, Money Island forgotten tales of Iowa of established writers of Deerfield for the John Cheever and received the *Story* Commercial publisher many of them sold. Federal Theatre as they found local spots. Federal Writers' Project of its critics, every amount.¹⁷

¹⁷ Hallie Flanagan, *Circuses* (New York, 1910); Mordecai Gorelik, 443-445; Grant Code, "Accomplishment," *Daily Federal Style, Harper's* ¹⁸ Mabel Ulrich,